



U.S. DEPARTMENT OF COMMERCE

Bureau of Industry and Security

**Fiscal Year 2024
President's Budget Request**

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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Budget Estimates, Fiscal Year 2024
President’s Budget Request
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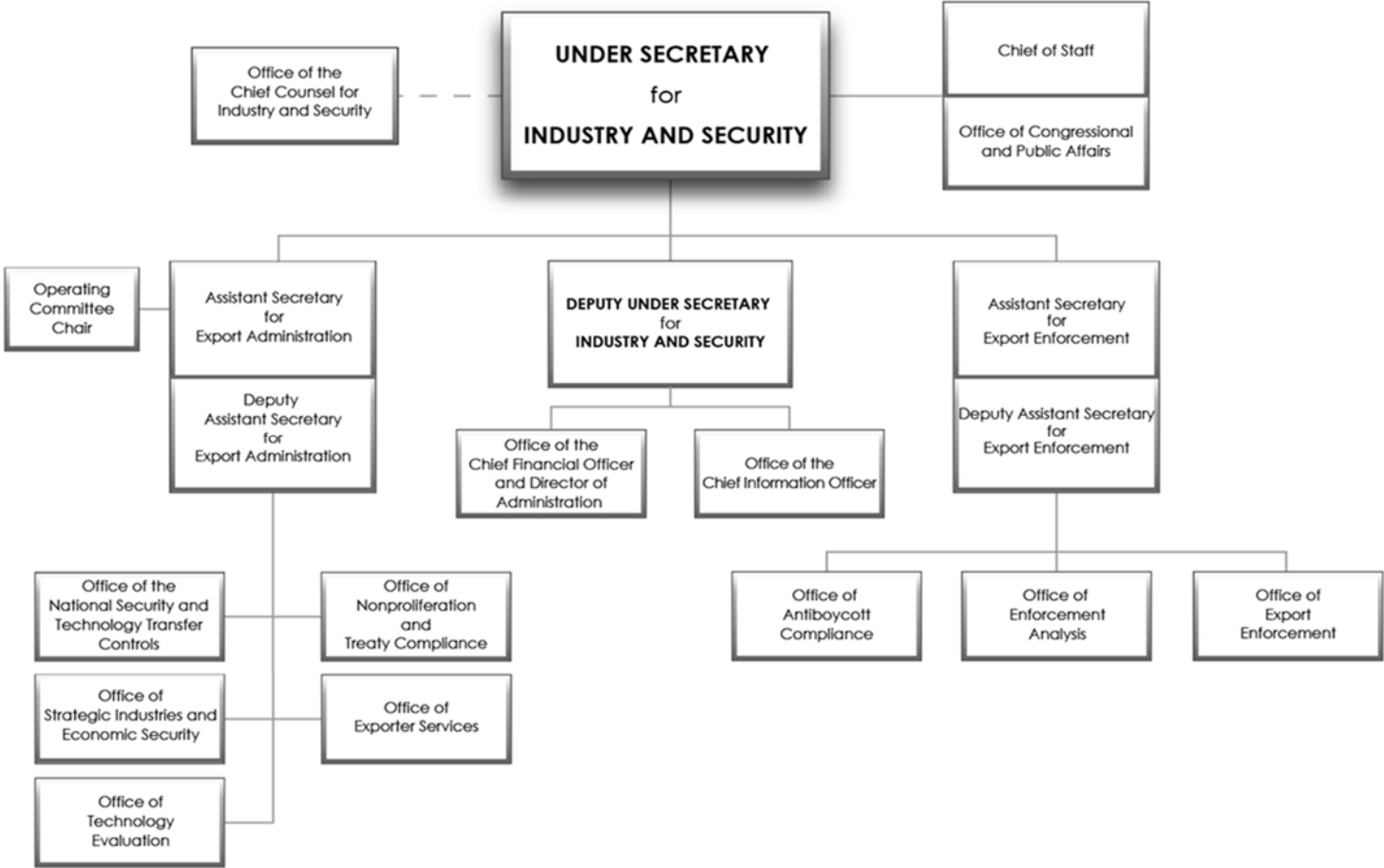
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Organization Chart



BUREAU OF INDUSTRY AND SECURITY

U.S. Department of Commerce



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**Department of Commerce
Bureau of Industry and Security
Budget Estimates, Fiscal Year 2024
Executive Summary**

In FY 2024, the Bureau of Industry and Security (BIS) will continue to execute on its mission to safeguard American national security. BIS will continue working to prevent the unauthorized use of U.S. technologies for purposes contrary to American interests by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership. BIS will continue its engagements with international and interagency partners to enhance the application and enforcement of export controls, implement changes from the multilateral export control regimes in an expeditious manner, and administer an efficient export licensing system.

BIS maintains its critical role in advancing key national security and foreign policy priorities by effectively utilizing its policy and technical expertise, comprehensive outreach programs, and its regulatory and enforcement authorities. BIS will maintain investments in areas to address strategic national security threats including by working to prevent countries of national security concern, such as China and Russia, from obtaining U.S. items in order to improve military capabilities, advance weapons of mass destruction programs, enable human rights abuses, and violate national sovereignty and undermine regional security as demonstrated by Russia's unprovoked further invasion of Ukraine. With the destabilizing escalation in the use of advanced commercially available technologies for abuses of human rights, military modernization, and other malign and destabilizing activities, BIS will continue to play the lead role in the U.S. Government's initiative to strengthen export control policies and vigorously investigate violations to prevent and dismantle procurement networks facilitating such activities.

To meet these mission goals and build on the investments made in prior years, BIS requests an FY 2024 appropriation for discretionary spending totaling \$222.416 million and 587 positions. This request seeks to reinforce BIS's areas of proven effectiveness, while investing in the expansion of plurilateral and bilateral cooperation with allies and likeminded countries specific to export control policy. This shared collaboration will facilitate more effective information sharing and detection of diversionary and illicit activities, which will result in more aggressive enforcement actions by analysts and Special Agents who conduct end-use verifications, review tips and disclosures, leverage interagency data fusion and analysis efforts, and investigate violations that can result in the imposition of criminal and/or administrative penalties.

This request strengthens BIS' response to the national security risks from Information and Communications Technology and Services (ICTS) transactions and provides mitigation and prohibitions on entities and individuals posing these risks. With a more fully robust ICTS program, BIS will further invest in activities involving vetting and prioritizing referrals, compiling intelligence information, conducting investigations into ICTS transactions, performing risk-based analyses, and recommending mitigation measures and/or prohibitions to the Secretary of Commerce.

The growing threat from foreign adversaries places BIS in a situation where its critical data are increasingly subject to cyberattacks. As a result, BIS seeks investment in its information technology infrastructure to protect its critical data and infrastructure from increasingly sophisticated and persistent cybersecurity attacks in compliance with the FISMA and similar regulatory requirements.

In recent years, BIS has undertaken several important regulatory actions in response to geopolitical tensions and Administration priorities, including a series of actions in response to Russia's further invasion of Ukraine. In FY 2024, BIS will continue to evaluate and redefine how these actions and other BIS current export control policies will be applied, including opportunities to facilitate enforcement outcomes. These regulatory actions include:

- ❖ Implementing export controls on countries that threaten U.S. national security and foreign policy interests
- ❖ Advancing American supply chain resilience
- ❖ Revising controls to better ensure U.S.-origin items are not used to enable human rights abuses
- ❖ Expanding controls to prevent foreign weapons of mass destruction programs and military, intelligence, and security services from benefitting from the support of U.S. persons
- ❖ Implementing multilateral controls on additional cyber surveillance tools
- ❖ Publishing additional controls on technologies pursuant to Section 1758 of the Export Control Reform Act (ECRA)
- ❖ Continuing to add parties to the Entity List, Military End-User List, and Unverified List to address national security and foreign policy concerns, and support compliance and enforcement actions
- ❖ Updating controls to capture chokepoint technologies in key sectors.

Performance:

For current Government Performance and Results Act (GPRA) targets please see the FY 2024 Annual Performance Plan and Report (APPR) & APPR back-up.

Adjustments:

Inflationary Adjustments

The BIS FY 2024 Base includes an increase of \$16.866 million to account for the full funding requirement for inflationary adjustments to current programs for its activities. This includes the estimated CY 2024 civilian pay raise of 5.2% as well as inflationary increases and adjustments to base (ATBs) for estimated labor and non-labor activities, including benefits, service contracts, utilities, field office lease payments, and rent charges from the General Services Administration (GSA).

Technical Adjustment

The BIS FY 2024 Request does not include any discretionary to discretionary, one-time technical adjustments (transfers).

Functional Category (dollar amounts in millions):

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Estimate
054 Defense Related Activities:	\$77.763	\$96.068	\$139.183
376 Other Advancement of Commerce:	\$63.237	\$94.932	\$83.233
Total:	\$141.000	\$191.000	\$222.416

**Department of Commerce
Bureau of Industry and Security
Operations and Administration
Functional Classification 054 Defense Related Activities**

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Estimate
Management and Policy Coordination	-	-	\$36.183
Export Administration	\$30.163	\$37.561	\$39.709
Export Enforcement	\$47.600	\$58.507	\$63.291
Total BIS 054 Funding	\$77.763	\$96.068	\$139.183

Existing functional classification(s):

The Bureau of Industry and Security (BIS) has two functional classifications 054: Defense Related Activities and 376: Other Advancement of Commerce.

BIS 054 Funding Changes between Fiscal Years:

The 054 allocation for the Bureau of Industry and Security was \$77.763 million for FY 2022 and \$96.068 million for FY 2023. In FY 2024, the 054 allocation estimate is \$139.183 million, an increase of \$43.115 million.

Justification for changes:

The funding for operating the BIS national security activities that support the 054 classification of Defense Related Activities has increased over the last several years. With the implementation of the Export Control Reform Act of 2018 (ECRA), as enacted under P.L. 115-232, and the transition of the oversight for Category I, II and III firearms, BIS has expanded roles and responsibilities for administering and enforcing export controls in the areas of firearms and related items transferred from the Department of State's U.S. Munitions List to the Commerce Control List, emerging and foundational technologies, and human rights. BIS has also increased the work being done on multilateral export controls in the areas of nuclear, missile, chemical and biological controls, and multilateral export controls under the Wassenaar Arrangement, which was established to prevent unauthorized transfers of conventional arms and related sensitive dual-use items. The associated resources for executing these programs have increased by more than 50 percent since 2012.

In addition, BIS has experienced an increase in many of its enforcement programs which include investigating criminal and administrative violations and imposing civil sanctions for violations of the Export Administration Regulations (EAR), ECRA, the Chemical Weapons Convention Implementation Act (CWCIA), the Fastener Quality Act (FQA), and related statutes and regulations.

Consistent with national security priorities, Export Enforcement prioritizes its enforcement activities on cases relating to the proliferation of Weapons of Mass Destruction (WMD), terrorism, and military diversion. Also, within the Bureau of Industry and Security, the Office of Enforcement Analysis (OEA) monitors and evaluates export transactions and combines trade data – uniquely available to the Department of Commerce under proper safeguards – with private, public, and government-classified and unclassified information to support compliance with the EAR, the Chemical Weapons Convention (CWC), and related laws and regulations related to dual-use items. These are in direct support of the national defense programs.

In FY 2023, BIS received funding for the Information and Communications Technology and Services (ICTS) program, which has been re-classified as a defense-related activity (functional classification 054) in FY 2024.

054 Defense-related activities		<i>(\$ millions)</i>
1	Overseas Enforcement.....	\$6.230
2	Export Enforcement.....	\$57.061
3	National Security and Technology Transfer Control.....	\$8.353
4	Chemical Weapons Convention.....	\$4.276
5	Technology Evaluation.....	\$51.336
6	Nonproliferation and Treaty Compliance.....	\$6.207
7	Non-CFIUS portion of Strategic Industries and Economic Security.....	\$5.720
BIS 054 total for FY 2024		\$139.183

**The numbers above reflect only the 054 Defense-related activities portion of BIS budget authority. The FY 2024 President’s Budget requests a total BIS budget authority of \$222.416 million.*

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
FY 2024 Program Increases / Decreases / Terminations
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No.	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
27	Operations and Administration	Management & Policy Coordination	Strengthening Efforts to Support the Information and Communications Technology and Services (ICTS) Program	0	\$8,543
53	Operations and Administration	Export Enforcement	BIS Modern Data Management and Sharing Implementation	2	\$2,991
41	Operations and Administration	Export Administration	BIS Modern Data Management and Sharing Implementation	2	\$2,840
24	Operations and Administration	Management & Policy Coordination	BIS Modern Data Management and Sharing Implementation	0	\$176
Subtotal, Increases				4	\$14,550

Decreases

Page No.	Appropriation	Budget Program	Title of Decrease	Pos.	Budget Authority
No Program Decreases					
Subtotal, Decreases					

Terminations

<u>Page No.</u>	<u>Appropriation</u>	<u>Budget Program</u>	<u>Title of Termination</u>	<u>Pos.</u>	<u>Budget Authority</u>
No Program Terminations					
<hr/>					
Subtotal, Terminations					

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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Summary of Resource Requirements
(Dollar amounts in thousands)

Page No.

Table with columns: Positions, FTE, Budget Authority, Direct Obligations. Rows include: Appropriation Available, 2023; Less: Estimated Recoveries, 2023; Less: Unobligated balance, start of year, 2023; Plus: Unobligated balance, end of year, 2023; 2024 Adjustments to Base; Plus: Inflationary adjustments to base; 2024 Base; plus: 2024 Program changes; 2024 Estimate.

Comparison by activity/subactivity with totals by activity. Table with columns: FY 2022 Actual, FY 2023 Enacted, FY 2024 Base, FY 2024 Estimate, Increase/Decrease from FY 2024 Base. Rows include: BIS Management and Policy Coordination; BIS Export Administration; BIS Export Enforcement; Total; Adjustments for: Recoveries, Unobligated balance, start of year, Unobligated balance transferred, Unobligated balance, end of year, Unobligated balance expiring; Financing from transfers: Transfer from other accounts (-), Transfer to other accounts (+); Appropriation.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Summary of Reimbursable Obligations
(Dollar amounts in thousands)

Comparison by activity:		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and	Pos./BA	0	27	0	77	0	77	0	77	0	0
Policy Coordination	FTE/Obl.	0	52	0	81	0	77	0	77	0	0
Export	Pos./BA	7	2,999	7	3,487	7	3,487	7	3,487	0	0
Administration	FTE/Obl.	7	2,339	7	3,677	7	3,487	7	3,487	0	0
Export	Pos./BA	0	35	0	97	0	97	0	97	0	0
Enforcement	FTE/Obl.	0	65	0	103	0	97	0	97	0	0
Total	Pos./BA	7	3,061	7	3,661	7	3,661	7	3,661	0	0
	FTE/Obl.	7	2,456	7	3,861	7	3,661	7	3,661	0	0
Adjustments to Obligations											
Recoveries											
	Unobligated balance, start of year		(3,688)		(4,293)		(4,093)		(4,093)		
	Unobligated balance, rescission										
	Unobligated balance, end of year		4,293		4,093		4,093		4,093		
	Unobligated balance expiring										
Reimbursable Authority			3,061		3,661		3,661		3,661		0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Summary of Financing
(Dollar amounts in thousands)

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
Total Obligations	148,817	201,899	211,527	226,077	14,550
Offsetting collections from:					
Federal funds	(1,301)	(1,901)	(1,901)	(1,901)	-
Trust funds	(1,760)	(1,760)	(1,760)	(1,760)	-
Non-Federal sources	-	-	-	-	-
Recoveries	(6,118)	(5,150)	-	-	-
Unobligated balance, start of year	(5,255)	(6,182)	-	-	-
Unobligated balance transferred	-	-	-	-	-
Unobligated balance, end of year	6,182	4,093	-	-	-
Unobligated balance expiring	435	-	-	-	-
Budget Authority	141,000	191,000	207,866	222,416	14,550
Financing:					
Transfer from other accounts (-)	-	-	-	-	-
Transfer to other accounts (+)	-	-	-	-	-
Appropriation	141,000	191,000	207,866	222,416	14,550

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Adjustments to Base
(Dollar amounts in thousands)

	Positions	Amount
Adjustment:	0	-
Other Changes:		
2023 Pay raise (CY)		1,036
2024 Pay raise (BY)		4,474
Increase in Awards		0
Full-year cost in 2024 of positions financed for part-year in 2023		5,461
Change in compensable days		444
Civil Service Retirement System (CSRS)		(30)
Federal Employees Retirement System (FERS)		76
Thrift Savings Plan		(73)
Federal Insurance Contribution Act (FICA) – OASDI		(31)
Health Insurance		157
Federal Employees' Compensation Act		(23)
Travel:		
Mileage		0
Per Diem		7
Rental payments to GSA		632
GSA Furniture and IT Program (FIT)		(328)
Working Capital Fund, Departmental Management		5,163
Cybersecurity (Non-Add in WCF)		211
National Archives and Records Administration (NARA)		0
General Pricing Level Adjustment:		
Transportation of things		4
Communications, utilities, and miscellaneous charges		80
Printing and reproduction		0
Other Services		252
Export Control Officers (ECO) Operations		139
Supplies and materials		42
Equipment		55

Continuous Diagnostics and Mitigation (CDM)	0
Telecommunication Services – Enterprise Infrastructure	(362)
Enterprise Services	(502)
Federal Protective Services	(6)
International Cooperative Administrative Support Services (ICASS)	101
Capital Security Cost Sharing Program (CSCSP/MCSP)	98
Subtotal, other changes	16,866
Total, adjustments to base	0
	16,866

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Direct Obligations, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management & Policy Coordination

Line Item		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	20	5,184	120	30,857	120	33,335	120	42,054	0	8,719
Policy Coordination	FTE/Obl	20	5,264	100	30,994	120	33,335	120	42,054	0	8,719
Total	Pos./BA	20	5,184	120	30,857	120	33,335	120	42,054	0	8,719
	FTE/Obl	20	5,264	100	30,994	120	33,335	120	42,054	0	8,719

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Reimbursable Obligations, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management & Policy Coordination

Line Item		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management & Policy Coordination	Pos./BA	0	27	0	77	0	77	0	77	0	0
	FTE/Obl	0	52	0	81	0	77	0	77	0	0
Total	Pos./BA	0	27	0	77	0	77	0	77	0	0
	FTE/Obl	0	52	0	81	0	77	0	77	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification of Program and Performance, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management & Policy Coordination (MPC)

Goal Statement

Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

Base Program

Management & Policy Coordination (MPC) funds the Office of the Under Secretary for Industry and Security and supporting offices. MPC officials provide leadership, management, and policy guidance to the Assistant Secretaries in their areas of responsibility, in direct support of BIS priorities, goals, and objectives. MPC also houses the BIS Information and Communications Technology and Services (ICTS) program, which evaluates and addresses national security risks posed by ICTS transactions.

Statement of Operating Objectives

- Protect United States national, cyber, economic, and homeland security.
- Advance U.S. national and economic security and protect U.S. data and communications infrastructure by deterring and mitigating foreign malicious activities.
- Enable the United States to maintain its military superiority by promoting a strong, vibrant defense industrial base capable of innovating and developing technologies second to none.
- Enable U.S. industry and private sector to maintain its economic security and strengthen its superiority through technological, products and services advances.
- Partner with the private sector where possible, through public-private partnerships and market-based solutions.
- Collaborate with U.S. government agencies and departments, including the Departments of Defense, State, Homeland Security, Treasury, Justice, and Energy, as well as the General Service Administration, Federal Communications Commission, United States Trade Representative, the National Security Council, and the Intelligence Community.

Explanation and Justification

Line Item		2022		2023		2024	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	20	5,184	120	30,857	120	33,335
Policy Coordination	FTE/Obl.	20	5,264	100	30,994	120	33,335

MPC supports the Secretary of Commerce as the BIS management body having responsibility to represent the Department in ongoing interagency dialogues with the Departments of Defense, State, Justice, Energy, and Homeland Security, as well as the Office of the U.S. Trade Representative, Intelligence Community, the Federal Communications Commission, General Services Administration, and the National Security Council. Issues involve national security, nonproliferation, export controls, and strategic industries.

Support includes BIS policy, activity, planning, and subject matter expert (SME) resources to help the Secretary and Department meet their goals and objectives:

- Prepare reports and Congressional testimony encompassing BIS activities, policies, plans and objectives; and
- Furnish to the Department requested data and expertise in export administration and enforcement, as well as export control violation abatement and industry outreach in pursuit of U.S. global economic progress.
- ICTS reviews, investigates, and takes appropriate prohibitive/mitigation actions addressing foreign adversary ICTS transactions that pose undue or unacceptable risks to U.S. national and economic security, critical infrastructure, the digital economy, and safety and security of U.S. persons.

As the BIS management body, MPC responsibilities encompass statutory, regulatory, policy, procedural, and strategic guidance to Bureau programs and operations. While relying on programs for their individual operational expertise, MPC also supports programs and the Department through facilitation of Bureau operations, by managing the instrumentation programs need for their support:

- Establishing the overall BIS policy agenda;
- Coordinating agreement on BIS priorities, bureau goals, unit objectives, and key metrics;
- Evaluating program performance for consistency with priorities, goals, objectives and metrics;
- Furnishing an internal enterprise network to accommodate and help manage BIS data;
- Coordinating BIS funding among programs and engaging the Department, Office of Management and Budget, and Congress;
- Assisting the Department with developing funding levels for BIS requirements;
- Performing overall oversight of program operations and expenditures;

- Executing or directly supervising the execution of selected policy initiatives; and
- Adjudicating appeals of licensing and enforcement decisions.

MPC also houses the BIS Information and Communications Technology and Services (ICTS) program, which evaluates and addresses national security risks posed by ICTS transactions. The program addresses national security risks posed by ICTS transactions and enforces mitigation and/or prohibitions for a single entity or an ICTS class in the United States as committed under Title 15 of the Code of Federal Regulations. It correlates complex technical analyses and interprets all-source intelligence, to include cybersecurity threat concerns. This program carries out the operational duties that implement the rules and procedures to identify, assess, and address ICTS transactions that pose the undue or unacceptable risks detailed above. It delivers on carrying out Executive Order (E.O.) 13873, Securing the Information and Communications Technology and Services Supply Chain, and demonstrates the President's commitment to the protection of the U.S. digital infrastructure. E.O. 13873 gives the Secretary of Commerce, in consultation with other relevant Federal agencies, authority to prohibit and/or mitigate transactions that involve ICTS designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary.

BIS ICTS program reviews and addresses ICTS transactions that pose undue or unacceptable risks in the United States, which involves vetting and prioritizing referrals, compiling intelligence and other information, and conducting investigations into transactions, performing risk-based analysis, and recommending mitigation measures and/or prohibitions to the Secretary of Commerce. The program consults with nine other Executive Branch agencies to assess undue or unacceptable ICTS risks and acts to deter malicious activity, protecting critical infrastructure, the digital economy, and sensitive U.S. persons data.

BIS ICTS also has authorities under E.O. 14034, Protecting Americans' Sensitive Data from Foreign Adversaries, to decide whether certain connected software applications designed, developed, manufactured or supplied by persons affiliated with a foreign adversary should be a class of ICTS transaction to review under E.O. 13873. BIS sought comment on this in a Notice of Proposed Rulemaking from November 2021 and will issue a final rulemaking on the issue based on criteria that is clear to the regulated community.

Infrastructure as Service (IaaS), a program under the BIS ICTS program, encompasses compliance and enforcement through the Know-Your-Customer requirements stemming from E.O. 13984 and will enable the BIS to ensure U.S. IaaS providers are implementing the relevant rules, as well as assisting the Secretary in any exemption determinations that may be made pertaining to IaaS providers. The program will be required to: establish and support analyses with industry liaisons and interface with the intelligence community, law enforcement, and industry, contract with and utilize relevant vendors, and appropriately evaluate intelligence or law enforcement reports on cyber threats that may necessitate the Secretary imposing conditions and/or restrictions on U.S. IaaS providers' ability to contract with certain foreign countries, parties, or persons. Activities are aligned to meet the federal policy requirements of E.O. 13984, Taking Additional Steps to Address the National Emergency with Respect to Significant Malicious Cyber-Enabled Activities.

Significant Accomplishments to Date

- In March 2021, the ICTS program promulgated rules under Title 15 Code of Federal Regulations establishing the criteria and process by which the BIS ICTS program evaluates domestic transactions linked to foreign adversaries seeking to undermine our national and economic security.
- In March 2021, the ICTS program published an advanced notice of proposed rulemaking on Securing the Information and Communications Technology and Services Supply Chain Licensing Procedures.
- In March and April of 2021, the ICTS program served subpoenas and opened investigations into multiple Chinese companies providing information and communications technology services in the United States.
- In October 2021, as required under Executive Order 14034, the ICTS program submitted a report to the White House on recommendations to protect American’s Sensitive Data from foreign adversaries.
- On November 24, 2021, the ICTS program published an advance notice of proposed rulemaking under IaaS from Executive Order 13984. This order provides authority to impose record-keeping obligations with respect to foreign transactions on “know your customer” regulations, to prevent malicious cyber behavior.
- On November 26, 2021, as required under Executive Order 14034, the ICTS program published a notice of proposed rulemaking to add the definition of connected software applications and accompanying criteria along with a process for the Secretary to determine whether to impose special measures or prohibitions on certain jurisdictions of parties to Title 15 Code of Federal Regulations.
- With preliminary funding in March 2022, the ICTS program officially reorganized within the Bureau of Industry and Security and BIS enhanced its targeting priorities, coordinating with interagency partners, holding over 30 interagency working groups to address short and long-term goals, including discussion of regulatory approaches in ICTS classes of risk.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes For 2024
(Dollar amounts in thousands)

		FY 2024		FY 2024		Increase/Decrease	
		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and							
Policy Coordination	Pos/BA	120	33,335	120	33,511	0	176
	FTE/Obl.	120	33,335	120	33,511	0	176

BIS Modern Data Management and Sharing Implementation (+\$176, 0 FTE/0 Positions) – This funding increase of \$176,120 will allow BIS to comply with several legislative and executive mandates to successfully fulfill its current export control obligations and work with partners.

In light of global conflict in the past year, BIS has been called upon to coordinate more closely with our partners regarding export control implementation, and information sharing such as data exchange on license applications, and potential export violators. As the federal government looks to us to fulfill these expectations and obligations, we are currently trying to comply with multiple legislative and executive mandates to successfully fulfill current export control obligations. BIS is in the process of planning for and developing new data management strategies to better coordinate with its partners to enforce export law and regulations more effectively. BIS envisions building upon its ability of understanding the impact of its work on the American and global economy; on its ability to properly secure the highly sensitive data in its possession from foreign adversaries; on its reputation as the steward of the Federal Government’s export control capabilities; and, most importantly, on its capacity to deliver basic services to industry customers.

With this funding, BIS will be able to establish an Enterprise Data Management and Integration capability, develop a modern Data Science & Impact Analysis capability, publish more data approved for public consumption, and implement Data Loss Prevention and Data Tagging policies. Each of these capabilities will allow BIS to become one step closer in becoming compliant with legislative and executive mandates, catch up to our sister organizations in modernization, secure extremely sensitive data in our possession from foreign adversaries, and coordinate effectively with partners to implement export control regulations. These capabilities serve as the foundation for virtually all other modernization efforts currently being pursued by BIS (e.g., Zero Trust and Customer Experience) and will help propel BIS from Y2K-era standards and technologies to 21st century compliant systems that will help us to more fully realize our mission and deliver quality services.

Performance Measures:	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Without requested program change	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.
With requested program change	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	176	180	183	187	191
Budget Authority:					
Outlays	141	170	182	186	190
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail By Object Class
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	1,765	9,951	12,181	12,181	
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	50	50	86	86	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	1,815	10,001	12,267	12,267	0
12.1 Civilian personnel benefits	587	4,102	4,121	4,121	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	14	376	378	378	0
22 Transportation of things	0	3	4	4	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	260	5,301	5,323	5,323	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	83	802	801	801	0
24 Printing and reproduction	7	756	756	756	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	9	9	9	9	0
25.2 Other services from non-federal sources	1,347	4,409	4,272	4,447	176
25.3 Other goods and services from federal sources	1,050	4,155	4,307	4,307	0
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	83	380	389	389	0
31 Equipment	8	698	709	709	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	1	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	5,264	30,994	33,335	33,511	176

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes For 2024
(Dollar amounts in thousands)

		FY 2024		FY 2024		Increase/Decrease	
		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy							
Coordination	Pos/BA	120	33,335	120	41,878	0	8,543
	FTE/Obl.	120	33,335	120	41,878	0	8,543

BIS Information and Communications Technology and Services (ICTS) (+\$8,543, 0 FTE/0 Positions) - This funding increase of \$8,543,000 will allow BIS to strengthen its efforts to analyze and protect critical supply chains for the information and communications technology and services industries.

BIS will establish analytical capabilities to assess the ICTS transactions and the operational capabilities to enforce mitigation and/or prohibition measures to protect national security interests. BIS will create systems to monitor transactions in the ICTS industries to evaluate the national security implications of single entities and ICTS classes and mitigate the effect of those transactions that pose a threat to the national interest. BIS will create and enforce mechanisms to prevent undue or unacceptable risks from developing from the use or storage of personal information and data critical to national security. BIS will also continue to use the information it gathers through these efforts to develop targeted and effective policies to sustain national security interests in these areas.

With this funding, BIS will be able to strengthen its efforts to analyze and protect national security interests in the ICTS transactions and will be able to improve its IT infrastructure to increase its capabilities to analyze and share information with partner national security agencies. BIS will be able to contract specialized services to improve its knowledge of specific ICTS industries and increase its ability to communicate effectively with domestic and international partners. With additional funding BIS will be able to identify and enhance existing programs by Federal partner agencies to leverage current efforts to monitor the national defense supply chain through the use of targeted IAAs. BIS will also be better able to engage commercial sources of information regarding ICTS transactions to allow more meaningful, timely, and effective mitigation efforts in those industries.

Performance Measures:	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Without requested program change	Less investment will be possible in the IT infrastructure of the ICTS program and less resources will be available for contracting for access to commercially available data sources and for services from industry experts to monitor ICTS industries and supply chains.	Less investment will be possible in the IT infrastructure of the ICTS program and less resources will be available for contracting for access to commercially available data sources and for services from industry experts to monitor ICTS industries and supply chains.	Less investment will be possible in the IT infrastructure of the ICTS program and less resources will be available for contracting for access to commercially available data sources and for services from industry experts to monitor ICTS industries and supply chains.	Less investment will be possible in the IT infrastructure of the ICTS program and less resources will be available for contracting for access to commercially available data sources and for services from industry experts to monitor ICTS industries and supply chains.	Less investment will be possible in the IT infrastructure of the ICTS program and less resources will be available for contracting for access to commercially available data sources and for services from industry experts to monitor ICTS industries and supply chains.
With requested program change	BIS will have the resources to improve its analytical and communication capabilities, reducing national security risks by ensuring meaningful risk mitigation steps with ICTS industries domestically and in partner nations.	BIS will have the resources to improve its analytical and communication capabilities, reducing national security risks by ensuring meaningful risk mitigation steps with ICTS industries domestically and in partner nations.	BIS will have the resources to improve its analytical and communication capabilities, reducing national security risks by ensuring meaningful risk mitigation steps with ICTS industries domestically and in partner nations.	BIS will have the resources to improve its analytical and communication capabilities, reducing national security risks by ensuring meaningful risk mitigation steps with ICTS industries domestically and in partner nations.	BIS will have the resources to improve its analytical and communication capabilities, reducing national security risks by ensuring meaningful risk mitigation steps with ICTS industries domestically and in partner nations.

Outyear Cost:

Direct Obligations:

Uncapitalized	8,543	8,714	8,888	9,066	9,247
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Budget Authority:

Outlays	6,835	8,251	8,845	9,023	9,202
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FTE	0	0	0	0	0
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Positions	0	0	0	0	0
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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail By Object Class
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	1,765	9,951	12,181	12,181	
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	50	50	86	86	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	1,815	10,001	12,267	12,267	0
12.1 Civilian personnel benefits	587	4,102	4,121	4,121	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	14	376	378	466	88
22 Transportation of things	0	3	4	4	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	260	5,301	5,323	6,605	1,282
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	83	802	801	886	85
24 Printing and reproduction	7	756	756	918	162
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	9	9	9	9	0
25.2 Other services from non-federal sources	1,347	4,409	4,272	8,541	4,270
25.3 Other goods and services from federal sources	1,050	4,155	4,307	6,963	2,656
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	83	380	389	389	0
31 Equipment	8	698	709	709	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	1	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	5,264	30,994	33,335	41,878	8,543

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Direct Obligations, Export Administration
(Dollar amounts in thousands)

Activity: Export Administration

Line Item		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	180	63,505	216	74,365	216	81,043	218	83,883	2	2,840
Administration	FTE/Obl	175	64,408	214	76,028	216	81,043	217	83,883	1	2,840
Total	Pos./BA	180	63,505	216	74,365	216	81,043	218	83,883	2	2,840
	FTE/Obl	175	64,408	214	76,028	216	81,043	217	83,883	1	2,840

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Reimbursable Obligations, Export Administration
(Dollar amounts in thousands)

Activity: Export Administration

Line Item		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	7	2,999	7	3,487	7	3,487	7	3,487	0	0
Administration	FTE/Obl	7	2,339	7	3,677	7	3,487	7	3,487	0	0
Total	Pos./BA	7	2,999	7	3,487	7	3,487	7	3,487	0	0
	FTE/Obl	7	2,339	7	3,677	7	3,487	7	3,487	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification of Program and Performance, Export Administration
(Dollar amounts in thousands)

Activity: Export Administration (EA)

Goal Statement

Identify and mitigate national security risks associated with the export, reexport, or in-country transfer of commodities, technology, and software through Export Administration Regulations (EAR) implementation, advance U.S. national security and foreign policy interests, and enhance the overall health and vitality of the U.S. defense industrial base.

Base Program

Export Administration (EA) develops policies and implements regulations on the international transfer of dual-use and less sensitive military items (commodities, software, and technology) to support U.S. national security and foreign policy goals. EA engages stakeholders among the U.S. government and industry on the appropriate level of controls for items with potential for use against the United States by its adversaries. EA participates in four multilateral export control regimes (the Wassenaar Arrangement, the Australia Group, the Missile Technology Control Regime, and the Nuclear Suppliers Group) involving transfers of conventional, nuclear, chemical, biological, and missile armaments (arms) and systems, assuring consistent international controls on items of concern. Applications to export, reexport or transfer (in-country) items subject to BIS regulations are evaluated by highly trained EA engineers and analysts, who process the applications consistent with U.S. national security goals and objectives.

In FY 2022, under BIS authorization, U.S. companies exported \$7.7 billion of licensed items. Exports made under a BIS license exception authorization totaled \$15.3 billion, representing approximately 1.1% of overall U.S. exports. These exports helped fund U.S. research and development, sustain U.S. production facilities, workforce employment, and expertise.

Statement of Operating Objectives:

- Establish controls and policy governing the export, reexport, exports from abroad, and in-country transfers of dual-use and less sensitive military items to protect national security and advance foreign policy objectives.
- Evaluate and adjudicate license applications, commodity classifications, and advisory opinions to achieve U.S. national security and foreign policy objectives.
- Identify technologies as outlined in Section 1758 of ECRA that are essential to national security and develop policies to limit transfer when contrary to U.S. interests.

- Formulate, and coordinate within the interagency community to implement, sanctions in support of U.S. foreign policy and national security objectives.
- Coordinate and cooperate with international partners and developing countries to design export control systems consistent with U.S. national security and foreign policy goals.
- Assess the impact on the US defense industrial base of actions taken on specific license applications as required by the Export Control Reform Act of 2018.
- Conduct BIS outreach to both domestic and international companies impacted by export controls to increase their knowledge of the EAR and enhance their compliance efforts.
- Engage the academic community to raise its level of awareness of the need to implement effective internal export control compliance programs and use its expertise to identify emerging technologies with national security implications.
- Update the EAR to reflect legal and policy changes and provide guidance to the exporting community.
- Provide guidance and assistance to exporters on compliance strategies, as well as export management and compliance programs, including site visits to companies and universities, and conduct post-licensing reviews and checks.
- Improve EA abilities to use export and license application data and all available public data to analyze complex trade trends and evaluate the effectiveness of BIS regulations.
- Maintain a wide array of highly qualified specialists to ensure decisions are based on current and emerging technical capabilities of industry and trends in the international marketplace.
- Carry out responsibilities related to the industrial compliance provisions of arms control and disarmament treaties (e.g., [Chemical Weapons Convention](#) and [Additional Protocol](#) and represent U.S. industry and security interests in multilateral arms control and disarmament deliberations (e.g., Biological and Toxin Weapons Convention).
- Maintain high levels of support to the interagency Committee on Foreign Investment in the United States (CFIUS) to ensure – through rigorous CFIUS reviews – inward foreign direct investment does not threaten U.S. national security.
- Conduct investigations pursuant to Section 232 of the Trade Expansion Act of 1962 to complete the highest quality evaluations of the effect of imports on U.S. national security.
- Manage the process to grant exclusions from trade actions provided pursuant to Section 232 if articles are determined not to be produced in the U.S. in a sufficient and reasonably available amount or a satisfactory quality or based upon specific national security considerations.
- Coordinate with the Department of Defense, Intelligence Community, NASA, Homeland Security, and other agencies to measure the health and competitiveness of the U.S. defense and technology industrial base.
- Partner with law enforcement agencies by providing expert witness and license determinations to support criminal and administrative charges.
- Administer the Defense Priorities and Allocations System (DPAS) used by the Departments of Defense, Energy, and Homeland Security, the General Services Administration, as well as other Federal agencies, owners and operators of critical infrastructure, and others to prioritize the performance of contracts to support national defense programs.
- Assess the impact on the U.S. defense industrial base of offsets in defense procurements and prepare an annual report to Congress on offsets in the defense trade.

- Co-chair with the Department of State, the Market Impact Committee, which reviews the Department of Defense’s proposed plans to add or dispose of material from the National Defense Stockpile.

Explanation and Justification

Line Item		2022 Actual		2023 Enacted		2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	180	63,505	216	74,365	216	81,043
Administration	FTE/Obl.	175	64,408	214	76,028	216	81,043

EA will continue in FY 2024 to support the BIS mission and implement the objectives outlined above, as well as other policy objectives and priorities. Estimates of workload are challenging because exports, foreign investment, CFIUS reviews, requests for DPAS actions, Section 232 investigations, and defense industrial base assessment volumes depend on many factors outside of BIS control. Based on these and other factors, including Administration priorities and international political and foreign policy developments, EA anticipates its workload will continue to grow considerably to meet these increasing demands.

Additional information about these programs may be found at:

- Mission Statement: <https://www.bis.doc.gov/index.php/about-bis/mission-statement>.
- Organization and Program Offices: <https://www.bis.doc.gov/index.php/about-bis/organization/program-offices>.

EA has multiple programs, the largest of which is the evaluation and adjudication of export license applications. The export license application program provides the U.S. government with a level of assurance that exports, reexports, and in country transfers of items subject to BIS jurisdiction will not be diverted to weapons of mass destruction programs, military programs contrary to U.S. interests, terrorists, regions of instability, or to persons violating human rights. EA analysts and engineers maintain superior expertise in current technologies and market trends required to analyze applications efficiently while achieving national security and foreign policy goals.

EA personnel possess the technical qualifications to assess a wide range of leading-edge products available in the global marketplace for export control purposes. EA uses data and research to study trends and inform export policy decisions; gauge the effect of the dual-use export control system on U.S. interests; support compliance efforts by identifying noncompliance with the EAR; provide statistical reports to the federal government and external stakeholders to support industry and government relations; and analyze foreign availability of critical products and technologies.

Under Section 232 of the Trade Expansion Act of 1962, as amended, EA conducts comprehensive investigations to determine the effect on the national security of the U.S. of imports of any article. In addition, with BIS-unique and mandatory data collection authority, EA

researches, surveys, and assesses the economic health and competitiveness of defense sector capabilities and readiness, and critical technologies. These assessments provide unique insight into foreign sourcing and dependencies, workforce issues, financial health, competitive challenges, and other factors impacting the ability of U.S. industry to meet national security requirements. In FY 2022, as a response to the FY 2021 National Defense Authorization Act – Section 9904 requirements, the Bureau developed and industry tested the U.S. Microelectronics Assessment Survey which was ultimately released to the semiconductor industry on October 17th, 2022. In FY 2022, the Bureau continued a multi-year industrial assessment related to U.S. healthcare and public health preparedness and response capabilities. The Bureau also continued its effort on a multi-year industrial assessment to evaluate the current health and competitiveness of the civil segment of the U.S. space industrial base.

Significant Accomplishments to Date

Sanctions on Russia in Support of Ukraine

Beginning on February 24, 2022, in response to the Russian Federation's (Russia's) further invasion of Ukraine, the Department of Commerce added multiple substantial new Russia license requirements and licensing policies to the EAR to protect U.S. national security and foreign policy interests. These new Russia measures, which were also implemented specific to Belarus, impose new Commerce Control List (CCL)-based license requirements; impose license requirements on specified luxury goods designated as EAR99 to Russia/Belarus and to Russian/Belarusian oligarchs and malign actors regardless of location; add two new foreign "direct product" rules (FDP rules) specific to Russia/Belarus and Russian/Belarusian 'military end users;' specify a license review policy of denial applicable to all of the added license requirements with certain limited exceptions; significantly restrict the use of EAR license exceptions; expand the existing Russia/Belarus 'military end use' and 'military end user' control scope to all items "subject to the EAR"; transfer 45 Russian entities from the Military End-User (MEU) List and add 27 Belarusian MEUs to the Entity List with an expanded license requirement of all items subject to the EAR (including foreign-produced items subject to the Russia-MEU FDP rules); and add more than 280 new entities to the Entity List. Additionally, BIS expanded the list of EAR99 items subject to license requirements under the Russian industry sector sanctions. Lastly, comprehensive export, reexport and transfer (in-country) restrictions have been imposed on the so-called Donetsk People's Republic (DNR) and Luhansk People's Republics (LNR) regions of Ukraine ("Covered Regions of Ukraine") and makes conforming revisions to export, reexport transfer (in-country) restrictions for Crimea Region of Ukraine provisions.

Section 232 Investigations and Product Exclusion Process

As of February 5, 2023, BIS has received approximately 455,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. In FY 2022, BIS processed approximately 71,000 Exclusion Requests submitted by domestic importers of steel and aluminum products impacted by duties under Section 232. The Department reviewed all Exclusion Requests and associated Objections, Rebuttals, and Surrebuttals on a case-by-case basis, considering only information that was submitted on the public record by the parties to the 232 Exclusions Portal. In FY 2022, Exclusion Requests with no Objections received a final decision within roughly fifty-one calendar days on average, while Exclusion Requests with Objections received a final decision within roughly ninety-seven calendar days on average.

In October 2021, negotiations on Section 232 trade remedies successfully concluded with the European Union. The United States transitioned to a tariff-rate quota on imports of steel and aluminum products from the European Union on January 1, 2022. The European Union in turn removed its retaliatory tariffs imposed on key exports from the United States that were set to double on December 1, 2021. This agreement successfully preserves the national security objectives of Section 232 and opens the door to further work on a cooperative framework with our allies and partners to counteract the mutual challenges posed by global overproduction of steel and aluminum, particularly by China.

In February 2022, the United States also successfully concluded negotiations on Section 232 trade remedies with Japan. The United States will transition to a tariff-rate quota on imports of steel products from Japan starting April 1, 2022. In March 2022, the United States successfully concluded negotiations on Section 232 trade remedies with the United Kingdom. The United States will transition to a tariff-rate quota on imports of steel and aluminum products from the United Kingdom starting June 1, 2022. Finally in May 2022, in response to the Russian Federation's (Russia's) further invasion of Ukraine the Department of Commerce announced a one-year suspension of Section 232 duties on steel products entering from Ukraine. This suspension went into effect on June 1, 2022.

Additions to the Entity List

FY 2022 was another active year for BIS's utilization of the Entity List. The Entity List identifies foreign parties that are prohibited from receiving some or all items subject to the EAR unless the exporter, reexporter, or transferor first receives a license from BIS. The U.S. Government has determined that persons and entities on the Entity List present a significant risk of diverting U.S. items to weapons of mass destruction (WMD) programs, state sponsors of terrorism, or other activities contrary to U.S. national security or foreign policy interests. The Entity List is an important policy tool to protect U.S. national security and foreign policy interests. In FY 2022, BIS published twelve rules that added 519 parties to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of the end of FY 2022, there are a total of over 2,321 active entries on the Entity List in 85 country locations.

Supporting Cybersecurity and Human Rights in the Digital Economy

Working with multilateral partners through the Wassenaar Arrangement, BIS issued a final rule placing new controls on a variety of hardware, software, and related technologies that can be used to conduct malicious cyber activities, including those technologies being used by authoritarian governments and other malign actors to undermine human rights. The rule also provides flexibility to allow for legitimate cybersecurity research and incident response activities. This rule became effective in May 2022. BIS continues to support the President's Export Controls and Human Rights Initiative (ECHRI), including through the development of a Code of Conduct for relevant exports. Additionally, BIS is supporting the second Summit for Democracy to be held in Washington, DC March 29-30, 2023.

Review of Technologies Pursuant to ECRA Section 1758

In FY 2022, BIS continued with interagency partners and like-minded allies at the multilateral export control regime the of identifying and controlling emerging and foundational technologies essential to the national security of the United States. BIS established the following section 1758 controls on Electronic Computer Aided Design (ECAD) "software" "specially designed" for the "development" of

integrated circuits having any Gate-All-Around Field-Effect Transistor (GAAFET) structure; two substrates of ultra-wide bandgap semiconductors Gallium Oxide (Ga_2O_3) and diamond; Pressure Gain Combustion (PGC) “development” and “production” technologies; and Nucleic acid assembler and synthesizer software that is capable of designing and building functional genetic elements from digital sequence data. Furthermore, BIS published an Advance Notice of Proposed Rulemaking (ANPRM) to seek public comments on the following proposed rules certain Brain-Computer Interface (BCI) emerging technology; four naturally occurring dual-use marine toxins (brevetoxin, gonyautoxin, nodularin and palytoxin), their collection and synthesis; and peptide synthesis technology and instrumentation that have increased the speed of peptide synthesis and the length of peptide products, including peptides and proteins greater than 100 amino acids in length;

Educational and Outreach Activities

EA continued to expend resources to inform the exporting community about the EAR, including changes to and compliance with them. To provide this guidance to U.S. exporters, BIS utilizes various types of outreach, including an annual policy conference and seminars at locations across the United States on “Complying with U.S. Export Controls” and specialty topics, including “Encryption Controls.” EA also participated in numerous virtual industry events focused on specific issues, such as revised controls on exports to Cuba, Russia sanctions, deemed exports (i.e., the release of controlled technology to foreign nationals in the United States, export controls on semiconductors and related items, and export controls for academia and research institutions. During FY 2022 and in FY2023, BIS continued to offer web-hosted videos explaining key regulatory and process concepts and was actively working to produce two new videos. The intent behind the video initiative is to enable small and new-to-export firms’ access to clear and concise guidance, delivered in a viewer-friendly format, via the agency’s website and YouTube channel. These videos facilitated the agency’s ability to train the business community relatively inexpensively and at any time convenient to the business. In FY 2022, BIS’s videos were viewed over 41,700 times; since BIS introduced its first video in 2019, they have been viewed over 160,000 times. In FY 2022 and FY 2023, BIS conducted comprehensive outreach to educate and inform exporters about the new license requirements responsive to Russia’s invasion of Ukraine as well as new controls on semiconductors and related items, and increased outreach to the academic community, including academic institutions attended by underserved communities.

International Capacity Building

In FY 2022, EA facilitated 44 capacity building engagements with interagency and nongovernmental organizations supporting and educating Mexico, India, Hong Kong, Singapore, the European Commission, Brazil, Japan, the UAE, Georgia, Serbia, Lithuania, Slovakia, the Czech Republic, Malaysia, Mongolia, the European Union, Turkey, South Africa, Israel, Norway, Taiwan, and the Philippines. The focus of this engagement was the strengthening of countries’ domestic strategic trade control implementation and enforcement as well as foster compliance with the Export Administration Regulations.

Defense Priorities and Allocations System (DPAS)

The supply chain constraints triggered by the COVID-19 pandemic have led to an increased focus on the Title I priorities and allocations authority of the Defense Production Act (DPA), which BIS helps administer through its DPAS regulation. In FY 2022, BIS processed 39 official actions under the DPAS to provide persons with DPAS rating authorization to support national defense programs, which was the highest number since FY 2008. Among the official actions undertaken by BIS, 12 DPAS rating authorizations were in response to SPA requests where semiconductor supply chain issues were identified, including five DPAS rating authorizations to four U.S. Government agencies, four DPAS rating authorizations to U.S. companies, and three DPAS rating authorizations to foreign companies supporting allied defense partners.

Committee on Foreign Investment in the United States (CFIUS)

EA coordinates BIS participation in CFIUS by evaluating the export control and defense industrial base equities in transactions and assessing the national security implications of these transactions. Chaired by Treasury, CFIUS is the interagency committee that conducts national security reviews of mergers, acquisitions, or takeovers with potential to result in foreign control of a U.S. business, as well as certain non-controlling investments in U.S. companies involved with critical technologies, critical infrastructure, or sensitive personal data, in addition to certain real estate transactions near sensitive government facilities. Should a particular transaction raise national security concerns, CFIUS has the authority to mitigate those national security concerns, or it may recommend the President prohibit or suspend the transaction. The President signed the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) into law in August 2018. FIRRMA achieves the goals of protecting our national security and preserving our long-standing open investment policy. The Act was fully implemented in February 2020, significantly expanding the scope of transactions subject to CFIUS jurisdiction. BIS's engagement in CFIUS is critical to implementing FIRRMA and to ensuring Administration and Congressional objectives of strengthening national security reviews of foreign investment in the United States are achieved. In FY 2022, BIS reviewed 464 CFIUS filings and declarations, which was the most in any individual fiscal year in the program's history.

Export License Processing

In FY 2022, BIS processed 40,765 license application valued at \$486.4 billion in an average processing time of 40 days. This marked a 1.1% decrease from 41,201 applications processed in FY 2021. BIS approved 35,562 applications (87.2%) valued at \$211.5 billion, returned 4,423 applications without action (10.8%) valued at \$35.3 billion, and denied 780 applications (1.9%) valued at \$239.6 billion. Of those, 446 licenses were escalated to the Operating Committee (OC), 305 OC decisions were issued and 33 of those were escalated to the Advisory Committee on Export Policy.

BIS obtains monthly data from Customs and Border Protection (CBP) on exports subject to BIS licensing requirements to evaluate the impact of controls on U.S. exports. For FY 2022, U.S. companies exported \$7.7 billion of licensed items. BIS-licensed exports represented 0.4% of total U.S. exports. Exports made under a BIS license exception totaled \$15.3 billion, representing approximately 0.7% of overall U.S. exports. Both licensed exports and exports under license exception totaled \$23.0 billion, approximately 1.1% of total U.S. exports. BIS continues to work with Census and CBP to improve the Automated Commercial Environment (ACE) and to increase exporter

compliance with the EAR. This year, BIS, in coordination with CBP, developed a new edit to the Automated Export System in ACE to enhance compliance for exports filed under No License Required.

Since Russia's invasion of Ukraine in February 2022 BIS has expedited license applications for the export of equipment vital to Ukraine's defense against the Russian invasion as well as guiding and instructing exporters on submitting license applications. In total, from February 24, 2022 – September 30, 2022, we have reviewed 503 export license applications for Ukraine valued at almost \$3.7 billion. Of 503 applications, 442 applications valued at \$3.1 billion were approved.

BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes For 2024, BIS Modern Data Management and Sharing Implementation
(Dollar amounts in thousands)

		FY 2024		FY 2024		Increase/Decrease	
		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export							
Administration	Pos/BA	216	81,043	218	83,883	2	2,840
	FTE/Obl.	216	81,043	217	83,883	1	2,840

BIS Modern Data Management and Sharing Implementation (+\$2,840, 1 FTE/2 Positions) – This funding increase of \$2,840,432 will allow BIS to comply with several legislative and executive mandates to successfully fulfill its current export control obligations and work with partners.

In light of global conflict in the past year, BIS has been called upon to coordinate more closely with our partners regarding export control implementation, and information sharing such as data exchange on license applications, and potential export violators. As the federal government looks to us to fulfill these expectations and obligations, we are currently trying to comply with multiple legislative and executive mandates to successfully fulfill current export control obligations. BIS is in the process of planning for and developing new data management strategies to better coordinate with its partners to enforce export law and regulations more effectively. BIS envisions building upon its ability of understanding the impact of its work on the American and global economy; on its ability to properly secure the highly sensitive data in its possession from foreign adversaries; on its reputation as the steward of the Federal Government’s export control capabilities; and, most importantly, on its capacity to deliver basic services to industry customers.

With this funding, BIS will be able to establish an Enterprise Data Management and Integration capability, develop a modern Data Science & Impact Analysis capability, publish more data approved for public consumption, and implement Data Loss Prevention and Data Tagging policies. Each of these capabilities will allow BIS to become one step closer in becoming compliant with legislative and executive mandates, catch up to our sister organizations in modernization, secure extremely sensitive data in our possession from foreign adversaries, and coordinate effectively with partners to implement export control regulations. These capabilities serve as the foundation for virtually all other modernization efforts currently being pursued by BIS (e.g., Zero Trust and Customer Experience) and will help propel BIS from Y2K-era standards and technologies to 21st century compliant systems that will help us to more fully realize our mission and deliver quality services.

Performance Measures:	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Without requested program change	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.
With requested program change	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	2,840	2,897	2,955	3,014	3,074
Budget Authority:					
Outlays	2,272	2,743	2,940	3,059	3,120
FTE	1	1	1	1	1
Positions	2	2	2	2	2

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration**

Program Change Personnel Detail, BIS Modern Data Management and Sharing Implementation

Activity: Export Administration

Subactivity: N/A

Program Change: BIS Modern Data Management and Sharing Implementation

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Sr Data Architect	14	2	150,016	300,032
Total		2		300,032
Less lapse		(1)		(75,008)
Total full-time permanent (FTE)		1		225,024
2024 pay Adjustment (5.2%)				11,701
Total				236,725

Personnel Data Summary

Full-time Equivalent Employment (FTE)	
Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
<hr/>	<hr/>
Total FTE	1
Authorized Positions	
Full-time permanent	2
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
<hr/>	<hr/>
Total Positions	2

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail By Object Class
(Direct Obligations amounts in thousands)

Activity: Export Administration

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024Base
11.1 Full-time permanent compensation	24,918	27,223	31,461	31,698	237
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	600	600	668	668	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	25,518	27,823	32,129	32,365	237
12.1 Civilian personnel benefits	9,038	9,295	9,321	9,397	76
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	331	406	409	420	11
22 Transportation of things	4	92	93	94	1
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,469	4,204	4,500	4,528	28
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,115	1,194	1,180	1,183	3
24 Printing and reproduction	510	515	515	516	1
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	127	127	127	127	0
25.2 Other services from non-federal sources	11,120	17,048	15,385	17,721	2,336
25.3 Other goods and services from federal sources	12,216	13,487	15,509	15,599	90
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	841	975	991	1,021	30
31 Equipment	109	853	874	903	29
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	10	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	64,408	76,028	81,043	83,883	2,840

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Direct Obligations, Export Enforcement
(Dollar amounts in thousands)

Activity: Export Enforcement

Line Item		FY 2022		FY 2023		FY 2024		FY 2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	192	72,311	247	85,778	247	93,489	249	96,480	2	2,991
Enforcement	FTE/Obl	187	76,689	240	91,016	247	93,489	248	96,480	1	2,991
Total	Pos./BA	192	72,311	247	85,778	247	93,489	249	96,480	2	2,991
	FTE/Obl	187	76,689	240	91,016	247	93,489	248	96,480	1	2,991

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Reimbursable Obligations, Export Enforcement
(Dollar amounts in thousands)

Activity: Export Enforcement

Line Item		FY 2022 Actual		FY 2023 Enacted		FY 2024 Base		FY 2024 Estimate		Increase/Decrease from FY 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	0	35	0	97	0	97	0	97	0	0
Enforcement	FTE/Obl	0	65	0	103	0	97	0	97	0	0
Total	Pos./BA	0	35	0	97	0	97	0	97	0	0
	FTE/Obl	0	65	0	103	0	97	0	97	0	0

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification Of Program and Performance, Export Enforcement
(Dollar amounts in thousands)**

Activity: Export Enforcement (EE)

Goal Statement

Apply law enforcement, national security, and export control expertise to stop exports of sensitive items to embargoed and restricted destinations, including expanded controls on Russia and China, to unauthorized end users, and to prohibited end uses, and ensure parties involved in U.S. commercial transactions do not engage in prohibited boycott activities.

Base Program

Export Enforcement (EE) enforces export controls pursuant to the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801-4852), the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 *et seq.*), 13 U.S.C. 305, 22 U.S.C. 401, the Export Administration Regulations (EAR), the Foreign Trade Regulations (FTR), and other relevant statutes and regulations.

The program enforces national security laws and supports foreign policy through the prevention and investigation of illegal exports of U.S. items or support by U.S. persons to restricted activities, and violations of antiboycott requirements:

- EE Special Agents with law enforcement authority investigate unauthorized military end use, illicit proliferation of weapons of mass destruction, terrorist activities, misuse of technology to enable human rights abuses, and other non-compliant actions under the EAR to safeguard U.S. national security;
- EE advises U.S. and foreign exporters, manufacturers, universities, banks, and the public on the substance and application of the EAR;
- EE program efforts monitor and analyze trends in boycott activity, to include pursuing criminal and administrative sanctions for violations;
- Through its compliance efforts, EE identifies unreliable transaction parties, which facilitates secure U.S. trade; and
- EE reviews export license applications, helps U.S. exporters screen suspicious inquiries, and recommends persons for addition to the Entity List, Denied Persons List, Military End-User List, and Unverified List.

Statement of Operating Objectives

- Continue to identify and investigate vigorously non-compliance with applicable export control statutes.
- Pursue violations through administrative or criminal penalties, as appropriate.
- Continue to level the playing field for U.S. exporters by actively pursuing export control violators, especially those attempting to undercut exporters who play by the rules.
- Partner, as practicable, with federal law enforcement agencies, the Department of Defense, and the Intelligence Community to enhance EE’s ability to enforce export controls by expanding the network of resources and capabilities.
- Collaborate with partner agencies to inhibit an ever-increasing level of sophistication exerted by criminal networks and hostile nation-states seeking to obtain controlled U.S. items illegally.
- Provide to BIS and interagency partners classified and unclassified (all-source) information, when making licensing decisions regarding foreign end users and end uses of U.S. controlled items, to determine potential diversion risks, and conduct strategic analysis to inform policy and enforcement actions.
- Work with international partners, especially through the Export Control Officer (ECO) program and end-use monitoring, to prevent diversion to unauthorized end users and end uses.
- Expand criminal intelligence capabilities to identify and disrupt domestic and international criminal proliferation networks.
- Continuously update “foreign parties of concern” designations on the Entity List, Denied Persons List, Military End-User List, and Unverified List to help industry safeguard transactions.
- Obtain and employ the additional resources necessary to address an ever-increasing workload of enforcement actions against those who violate U.S. export controls and the antiboycott provisions of the EAR.

Explanation and Justification

Line Item		2022		2023		2024	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	192	72,311	247	85,778	247	93,489
Enforcement	FTE/Obl.	187	76,689	240	91,016	247	93,489

Export Enforcement exercises its unique authorities to conduct complex investigations prioritized on malign activities of nation-state actors, as well as end uses and end users of national security concern. A significant percentage of EE actions involve uncontrolled

items destined for unauthorized military modernization programs, weapons of mass destruction programs, human rights abusers, sanctioned actors, and terrorists.

The tactics of our adversaries to acquire illicitly U.S.-origin items have become more sophisticated. Every year, the volume of EAR transactions requiring compliance assessments increases as international trade becomes more interdependent and diverse, in response to geopolitical situations such as Russia's invasion of Ukraine, or to prevent adversaries like China from leveraging U.S. advanced technologies to facilitate their destabilizing military modernization activities.

This requires EE to scrutinize miniscule details of direct exports from the United States, in-country transfers abroad, re-exports of licensed and unlicensed U.S. items, as well as the export from abroad of certain foreign-produced items. Program success depends upon EE confirming whether these items are diverted to unauthorized end uses or end users.

Efforts to counter illicit intangible technology procurement require extra scrutiny because they may occur electronically or through oral or visual release, both domestically and internationally. Detecting unauthorized activities from these kinds of transfers includes identifying foreign entities in the United States, evaluating technology transfers accomplished through foreign investment, computer forensics, or otherwise in the cyber realm.

Export Enforcement depends on access to all-source information, close collaboration with partner agencies, and especially the help of U.S. industry to prevent non-compliant activities. Transfers of items from the U.S. Munitions List and changes to controls addressing national security threats helped EE gain access to new sources and types of information. The program is also working to analyze more efficiently all data available to the U.S. government.

In FY 2024, EE will continue prioritizing administrative actions – including the imposition of penalties and denial of export privileges – to focus on the most serious violations. This includes ensuring the most serious administrative violations trigger commensurately significant penalties; requiring settling parties to admit to underlying factual conduct; resolving less serious cases through suspended denial orders with certain conditions, such as training and compliance requirements; triaging voluntary self-disclosures to focus enforcement resources on serious violations while fast-tracking resolutions for less serious violations; and making charging letters public when issued to create incentives for those under investigation to try to resolve matters quickly. EE also will expand its collaborations with U.S. government, and private sector partners, including dedicated outreach and training to U.S. universities, especially with those having elevated risk profiles. The program also expects to enhance its data analytics to identify and prioritize non-compliant activities, alert U.S. companies of suspicious transactions, and execute complex criminal and administrative investigations to enforce the EAR.

Additionally, BIS has built international partnerships with the European Commission, and like-minded countries, including Canada, Japan, Australia, and the United Kingdom, as well as transshipment hubs, such as Finland, Malaysia, Singapore, and the United Arab Emirates (UAE). Through its ECO program, EE enhances these partnerships to prevent the diversion of EAR items.

The **Office of Export Enforcement (OEE)**, a component of the EE program, consists of a dedicated group of Special Agents (Criminal Investigators) who promote economic and national security by aggressively investigating violations of export control laws, including ECRA and the EAR. Unique criminal and administrative authorities allow OEE Special Agents to investigate some of the most serious threats to our national security, thereby protecting U.S. sensitive, including emerging and foundational technologies.

Part of the core capability of the investigative process is housed within the **Office of Enforcement Analysis (OEA)**. OEA uses all sources of information, including publicly available, intelligence, and other government-privileged information, to provide information to BIS and the interagency export control community to inform the timely adjudication of export control license applications, identify potential violators of export control laws that imperil U.S. national security, and support law enforcement actions that could result in criminal and/or civil penalties. This information is also used to promote U.S. exports by preventing the diversion and misuse of export-controlled items abroad through end-use checks, outreach, and cooperation with foreign governments.

OEA's Export Control Officer (ECO) and Export Control Analyst (ECA) programs are paramount to this cooperation. In addition to conducting end-use verifications, which includes pre-license checks and post-shipment verifications, the ECOs stationed in nine locations abroad along with an ECA in Canada help build foreign governments' capacities to implement export controls and develop complementary enforcement actions, as well as educate foreign industry on EAR compliance. The ECOs receive periodic augmentation from OEE Special Agents under the auspices of the Sentinel Program to conduct end-use checks during temporary deployments.

The third pillar of the BIS Enforcement arm is the **Office of Antiboycott Compliance (OAC)**. OAC administers and enforces the antiboycott provisions of the EAR, issued pursuant to the Anti-Boycott Act of 2018, a part of ECRA. Those provisions discourage, and in some circumstances, prohibit U.S. companies from taking certain actions with the intent to comply with, or support any unsanctioned foreign boycott, including the Arab League boycott of Israel, maintained by a country against a country friendly to the United States, including responding to certain requests for information designed to verify compliance with the boycott. Compliance with such requests may be prohibited by the EAR and may be reportable to OAC.

Significant Accomplishments

- Since Russia's invasion of Ukraine, Export Enforcement has conducted more than 700 outreaches to U.S. companies, and detained or seized 357 shipments valued at more than \$165 million.
- Issued ten Temporary Denial Orders (TDOs) against Russian and Belarusian airlines that likely have violated U.S. export controls on Russia, and publicly identified for the first-time lists of Russian- and Belarusian-operated airplanes that have likely violated U.S. export controls by flying into Russia or Belarus without the required export license. Issued an additional TDO against a Venezuelan cargo airline for violating U.S. export controls.

- Issued charging letters against Russian oligarch Roman Abramovich and PJSC Lukoil, a Russian multinational oil and gas corporation, as well as worked with the Department of Justice on the execution of seizure warrants for four airplanes owned by Abramovich, Russian oligarch Andrei Skoch, and Lukoil worth more than \$500 million.
- Developed a joint alert with the Treasury Department providing financial institutions with a specific code to use in their Suspicious Activity Reports when they identify transactions that might be designed to evade Russian export controls.
- Issued a TDO against three U.S. companies that sent the blueprints and technical drawings to China, without the required export licenses, to have sensitive prototype space and defense technologies 3-D printed there.
- Issued a TDO against Belgian persons for acquiring U.S. items on behalf of prohibited end-users or for prohibited end-uses in China.
- Added 33 Chinese companies to the Unverified List based on a lack of cooperation by the host government to schedule and facilitate the completion of an end-use check.
- In FY 2022, worked with the Department of Justice to complete 58 investigations resulting in criminal convictions, including military items to China, counter-drone technology to Iran, a power turbine and generator for use in a Russian Arctic deep-water drilling platform, computer equipment for Pakistan's WMD program, and firearms across the western hemisphere.
- In FY 2022, issued administrative orders in three cases involving illegal defense exports to Vietnam, semiconductor manufacturing equipment to China, and firearms to Latin America.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes For 2024
(Dollar amounts in thousands)

		FY 2024 Base		FY 2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	247	93,489	249	96,480	2	2,991
	FTE/Obl.	247	93,489	248	96,480	1	2,991

BIS Modern Data Management and Sharing Implementation (+\$2,991, 1 FTE/2 Positions) - This funding increase of \$2,991,392 will allow BIS to comply with several legislative and executive mandates to successfully fulfill its current export control obligations and work with partners.

In light of global conflict in the past year, BIS has been called upon to coordinate more closely with our partners regarding export control implementation, and information sharing such as data exchange on license applications, and potential export violators. As the federal government looks to us to fulfill these expectations and obligations, we are currently trying to comply with multiple legislative and executive mandates to successfully fulfill current export control obligations. BIS is in the process of planning for and developing new data management strategies to better coordinate with its partners to enforce export law and regulations more effectively. BIS envisions building upon its ability of understanding the impact of its work on the American and global economy; on its ability to properly secure the highly sensitive data in its possession from foreign adversaries; on its reputation as the steward of the Federal Government’s export control capabilities; and, most importantly, on its capacity to deliver basic services to industry customers.

With this funding, BIS will be able to establish an Enterprise Data Management and Integration capability, develop a modern Data Science & Impact Analysis capability, publish more data approved for public consumption, and implement Data Loss Prevention and Data Tagging policies. Each of these capabilities will allow BIS to become one step closer in becoming compliant with legislative and executive mandates, catch up to our sister organizations in modernization, secure extremely sensitive data in our possession from foreign adversaries, and coordinate effectively with partners to implement export control regulations. These capabilities serve as the foundation for virtually all other modernization efforts currently being pursued by BIS (e.g., Zero Trust and Customer Experience) and will help propel BIS from Y2K-era standards and technologies to 21st century compliant systems that will help us to more fully realize our mission and deliver quality services.

Performance Measures:	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Without requested program change	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.	BIS will be delayed in complying with current legislative and executive mandates.
With requested program change	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.	BIS will have the capability and capacity to be in compliance with current legislative and executive mandates.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	2,991	3,051	3,112	3,174	3,238
Budget Authority:					
Outlays	2,991	3,051	3,112	3,174	3,238
FTE	1	1	1	1	1
Positions	2	2	2	2	2

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Personnel Detail, BIS Modern Data Management and Sharing Implementation**

Activity: Export Enforcement
 Subactivity: N/A
 Program Change: BIS Modern Data Management and Sharing Implementation

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Sr Digital Innovation Specialist	14	1	150,016	150,016
Sr Cloud Engineer	14	1	150,016	150,016
Total		2		300,032
Less lapse	25.00%	(1)		(75,008)
Total full-time permanent (FTE)		1		225,024
2024 pay Adjustment (5.2%)				11,701
Total				236,725

Personnel Data Summary

Full-time Equivalent Employment (FTE)

Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total FTE	1
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Authorized Positions

Full-time permanent	2
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total Positions	2
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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail By Object Class
(Direct Obligations amounts in thousands)

Activity: Export Enforcement

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024Base
11.1 Full-time permanent compensation	23,797	28,039	32,807	33,044	237
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	3,969	4,378	4,454	4,454	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	27,766	32,417	37,261	37,498	237
12.1 Civilian personnel benefits	13,995	15,377	15,408	15,484	76
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,505	2,042	2,045	2,056	11
22 Transportation of things	316	330	332	332	1
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,691	4,474	4,788	4,816	28
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,260	1,344	1,329	1,332	3
24 Printing and reproduction	16	22	22	23	1
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	135	135	135	135	0
25.2 Other services from non-federal sources	6,054	9,994	9,995	12,482	2,487
25.3 Other goods and services from federal sources	20,645	22,251	19,503	19,593	90
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	1,177	1,708	1,726	1,756	30
31 Equipment	120	912	935	964	29
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	9	9	9	9	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	76,689	91,016	93,489	96,480	2,991

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Summary of Requirements by Object Class
(Dollar amounts in thousands)

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	50,480	65,214	76,450	76,923	473
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	4,619	5,028	5,207	5,207	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	55,099	70,242	81,657	82,130	473
12.1 Civilian personnel benefits	23,620	28,774	28,850	29,002	152
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,850	2,825	2,832	2,942	110
22 Transportation of things	320	425	429	430	1
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	7,420	13,979	14,611	15,949	1,338
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	2,458	3,339	3,309	3,400	91
24 Printing and reproduction	533	1,293	1,293	1,456	163
25 Other contractual services					
25.1 Advisory and assistance services	271	271	271	271	0
25.2 Other services from non-Federal sources	18,521	31,451	29,651	38,921	9,269
25.3 Other goods and services from Federal sources	33,911	39,892	39,319	42,154	2,835
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	2,101	3,064	3,106	3,166	60
31 Equipment	237	2,463	2,518	2,576	58

Exhibit – 16

32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	20	20	20	20	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	146,361	198,038	207,866	222,416	14,550
	Less prior year recoveries	(6,118)	(5,150)	0	0	0
	Less prior year unobligated balance, start of year	(1,567)	(1,889)	0	0	0
	Plus prior year unobligated balance, end of year	1,889	0	0	0	0
	Unobligated balance expiring	435	0	0	0	0
	Total Budget Authority	141,000	191,000	207,866	222,416	14,550
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	379	551	580	582	2
	Other than full-time permanent	3	3	3	3	0
	Total	382	554	583	585	2
Authorized Positions:						
	Full-time permanent	387	578	578	582	4
	Other than full-time permanent	5	5	5	5	0
	Total	392	583	583	587	4

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Management & Policy Coordination
Select Activities by Object Class, Management & Policy Coordination
(Dollar amounts in thousands)

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	1,765	9,951	12,181	12,181	
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	50	50	86	86	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	1,815	10,001	12,267	12,267	0
12.1 Civilian personnel benefits	587	4,102	4,121	4,121	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	14	376	378	466 ⁰	88
22 Transportation of things	0	3	4	4	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	260	5,301	5,323	6,605	1,282
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	83	802	801	886	85
24 Printing and reproduction	7	756	756	918	162
25 Other contractual services					
25.1 Advisory and assistance services	9	9	9	9	0
25.2 Other services from non-federal sources	1,347	4,409	4,272	8,717	4,446
25.3 Other goods and services from federal sources	1,050	4,155	4,307	6,963	2,656
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

Exhibit – 16A

26	Supplies and materials	83	380	389	389	0
31	Equipment	8	698	709	709	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	1	1	1	1	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	5,264	30,994	33,335	42,054	8,719
	Less prior year recoveries	(38)	(71)	0	0	0
	Less prior year unobligated balance, start of year	(55)	(66)	0	0	0
	Plus prior year unobligated balance, end of year	0	0	0	0	0
	Unobligated balance expiring	13	0	0	0	0
	Total Budget Authority	5,184	30,857	33,335	42,054	8,719
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	20	100	120	120	0
	Other than full-time permanent	0	0	0	0	0
	Total	20	100	120	120	0
Authorized Positions:						
	Full-time permanent	20	120	120	120	0
	Other than full-time permanent	0	0	0	0	0
	Total	20	120	120	120	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Export Administration
Select Activities by Object Class, Export Administration
(Dollar amounts in thousands)

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	24,918	27,223	31,461	31,698	237
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	600	600	668	668	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	25,518	27,823	32,129	32,365	237
12.1 Civilian personnel benefits	9,038	9,295	9,321	9,397	76
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	331	406	409	420	11
22 Transportation of things	4	92	93	94	1
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,469	4,204	4,500	4,528	28
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,115	1,194	1,180	1,183	3
24 Printing and reproduction	510	515	515	516	1
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	127	127	127	127	0
25.2 Other services from non-federal sources	11,120	17,048	15,385	17,721	2,336
25.3 Other goods and services from federal sources	12,216	13,487	15,509	15,599	90
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

Exhibit – 16A

26	Supplies and materials	841	975	991	1,021	30
31	Equipment	109	853	874	903	29
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	10	10	10	10	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	64,408	76,028	81,043	83,883	2,840
	Less prior year recoveries	(1,611)	(780)	0	0	0
	Less prior year unobligated balance, start of year	(733)	(883)	0	0	0
	Plus prior year unobligated balance, end of year	1,230	0	0	0	0
	Unobligated balance expiring	211	0	0	0	0
	Total Budget Authority	63,505	74,365	81,043	83,883	2,840
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	173	212	214	215	1
	Other than full-time permanent	2	2	2	2	0
	Total	175	214	216	217	1
Authorized Positions:						
	Full-time permanent	177	213	213	215	2
	Other than full-time permanent	3	3	3	3	0
	Total	180	216	216	218	2

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Export Enforcement
Select Activities by Object Class, Export Enforcement
(Dollar amounts in thousands)

Object Class	FY 2022 Actual	FY 2023 Enacted	FY 2024 Base	FY 2024 Estimate	Increase/Decrease from FY 2024 Base
11.1 Full-time permanent compensation	23,797	28,039	32,807	33,044	237
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	3,969	4,378	4,454	4,454	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	27,766	32,417	37,261	37,498	237
12.1 Civilian personnel benefits	13,995	15,377	15,408	15,484	76
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,505	2,042	2,045	2,056	11
22 Transportation of things	316	330	332	332	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,691	4,474	4,788	4,816	28
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,260	1,344	1,329	1,332	3
24 Printing and reproduction	16	22	22	23	1
25 Other contractual services					
25.1 Advisory and assistance services	135	135	135	135	0
25.2 Other services from non-federal sources	6,054	9,994	9,995	12,482	2,487
25.3 Other goods and services from federal sources	20,645	22,251	19,503	19,593	90
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	1,177	1,708	1,726	1,756	30

Exhibit – 16A

31	Equipment	120	912	935	964	29
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	9	9	9	9	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	76,689	91,016	93,489	96,480	2,991
	Less prior year recoveries	(4,469)	(4,299)	0	0	0
	Less prior year unobligated balance, start of year	(779)	(940)	0	0	0
	Plus prior year unobligated balance, end of year	659	0	0	0	
	Unobligated balance expiring	211	0	0	0	0
	Total Budget Authority	72,311	85,778	93,489	96,480	2,991
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	186	239	246	247	1
	Other than full-time permanent	1	1	1	1	0
	Total	187	240	247	248	1
Authorized Positions:						
	Full-time permanent	190	245	245	247	2
	Other than full-time permanent	2	2	2	2	0
	Total	192	247	247	249	2

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Appropriation Language and Code Citations**

**1. "For necessary expense for export administration and national security activities of the Department of Commerce"
A. Export Administration**

50 U.S.C. 4801-4852
50 U.S.C. 4601 et seq.
10 U.S.C. 7430(e)
22 U.S.C. 2778
22 U.S.C. 2799aa-1(b)
22 U.S.C. 6001-6005
22 U.S.C. 7201-7211
22 U.S.C. 8544
22 U.S.C. 8551(c)(2)
42 U.S.C. 2139a
15 U.S.C. 1824a
50 U.S.C. 1701 et seq.

50 U.S.C. 4801-4852, et. seq. is the Export Control Reform Act of 2018 (ECRA), which provides authority for the regulation of exports of dual-use items for reasons of national security, foreign policy, or short supply. ECRA also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices.

Prior to August 13, 2018 and the President signing ECRA into law, the Export Administration Act of 1979, as amended, 50 U.S.C. Sections 4601-4623 (Supp. III 2015) (EAA) provided the above-mentioned legal authorities. The EAA lapsed on August 20, 2001, but was continued in effect by the President through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. p. 783 (2002)), as amended by Executive Order 13,637 of March 8, 2013, 78 FR 16129 (March 13, 2013), which was extended by successive Presidential Notices under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA).

Section 1766 of ECRA (which will be included as notes to 50 U.S.C. 4601-4610, 4614-4623) repealed the provisions of the EAA, except Sections 11A, 11B, and 11C, for which the EAA and the president's actions to continue its provisions in effect still provide the authority. 50 U.S.C. 4826 provided, in pertinent part, that all rules and regulations made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA's date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

10 U.S.C. 7430(e) is a provision related to the export of oil and gas.

22 U.S.C. 2778 (note) was amended by Section 1261 of the National Defense Authorization Act for Fiscal Year 2013, which repealed previous legislation that had placed satellites and related items on the United States Munitions List. Section 1261 permits the President to remove these items from the United States Munitions List and place them on the Commerce Control List.

22 U.S.C. 2799aa-1(b) requires the President to impose sanctions, including prohibiting exports of specific goods and technologies, pursuant to the requirements of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), on a non-nuclear-weapon state that receives or detonates a nuclear explosive device.

22 U.S.C. 6001-6010 set forth provisions of the Cuban Democracy Act, as amended by the Cuban Liberty and Democratic Solidarity (Libertad) Act, 22 U.S.C. 6021-6091, related to certain exports to Cuba.

22 U.S.C. 7201-7211 (Trade Sanctions Reform and Export Enhancement Act of 2000, as amended) sets forth a licensing regime for the export of agricultural commodities, medicines, and medical devices to designated terrorism-supporting countries.

22 U.S.C. 8544 authorizes the Secretary of Commerce to designate any employee of the Office of Export Enforcement of the Department of Commerce to conduct certain activities specified under the Export Administration Act of 1979, 50 U.S.C. 4614(a)(3)(B), when the employee is carrying out activities to enforce:

(1) the provisions of the Export Administration Act of 1979;

(2) Accountability, and Divestment Act of 2010, a provision of Title III of the Comprehensive Iran Sanctions, or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility; or

(3) any license, order, or regulation issued under the Export Administration Act of 1979 or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility.

22 U.S.C. 8551(c)(2) authorizes the appropriation of sums to carry out the Office of Export Enforcement's law enforcement activities under 22 U.S.C 8544.

42 U.S.C. 2139a sets forth the Commerce Department's responsibility for controlling the export of dual-use items of significance for nuclear explosive purposes.

15 U.S.C. 1824a prohibits the export of horses by sea for purposes of slaughter.

50 U.S.C. 1701 et seq. (International Emergency Economic Powers Act, as amended) provides that the President may declare a national emergency to deal with an extraordinary threat to the U.S. national security, foreign policy, or economy. Sanctions statutes, including the Iran Sanctions Act and the Iran-Iraq Arms Non-Proliferation Act, are codified as notes to this section.

B. National Security

10 U.S.C. 2531-2532
19 U.S.C. 1862
22 U.S.C. 6701 et seq.
22 U.S.C. 8101 et seq.
42 U.S.C. 300j
42 U.S.C. 5195
50 U.S.C. 82
50 U.S.C. 98-98h
50 U.S.C. 3816
50 U.S.C. 4501 et seq.

10 U.S.C. 2531-2532 authorizes the Secretary of Commerce to review memoranda of understanding and related agreements pertaining to research, development, or production of defense equipment between the Secretary of Defense and one or more foreign countries.

19 U.S.C. 1862 authorizes investigations of the effects on national security of imports of a particular article, and a report of the results of the investigations to the President with a recommendation for action or inaction.

22 U.S.C. 6701 et seq. (Chemical Weapons Convention Implementation Act of 1998) authorizes the President to implement U.S. obligations under the Chemical Weapons Convention (CWC), including requiring reporting by chemical production, processing, and consumption facilities and inspection of such facilities by the Organization for the Prohibition of Chemical Weapons (OPCW) (functions delegated to the Secretary of Commerce in Executive Order 13128, June 25, 1999).

22 U.S.C. 8101 et seq. (United States Additional Protocol Implementation Act) authorizes the President to carry out U.S. obligations under the “Protocol Additional to the Agreement between the United States of America and the International Atomic Energy Agency (IAEA) for the Application of Safeguards in the United States of America” signed in Vienna, Austria, on June 12, 1998.

- These obligations include reporting requirements of facilities engaged in nuclear activities and inspections of such facilities by members of the IAEA accompanied by U.S. government representatives;
- All are functions delegated to the Secretary of Commerce in Executive Order 13458, February 4, 2008.

42 U.S.C. 300j authorizes the issuance of orders requiring the delivery of chemicals or substances necessary for treatment of water (function delegated to the Secretary of Commerce in Executive Order 11879, September 17, 1975).

42 U.S.C. 5195 provides for the development of national emergency plans and preparedness programs to anticipate and minimize the effects of hazards (natural disasters and accidental or man-caused events) on the civilian population (functions delegated to the Secretary of Commerce in Executive Order 12656, November 18, 1988).

50 U.S.C. 82 provides for U.S. Government procurement of ships and material during war (functions delegated to the Secretary of Commerce in Executive Order 12742, January 8, 1991).

50 U.S.C. 98-98h et seq. (Strategic and Critical Materials Stock Piling Act) authorizes the acquisition and retention of stocks of certain strategic and critical materials.

50 U.S.C. 3816 provides for U.S. Government procurement of any articles or materials authorized by Congress (responsibility for all articles and materials except food, energy, and civil transportation delegated to the Secretary of Commerce in Executive Order 12742, January 8, 1991).

50 U.S.C. 4501 et seq. (Defense Production Act of 1950, as amended) authorizes the Bureau of Industry and Security (BIS) to set priorities for performance of defense and energy-related contracts and to allocate materials and supplies that are essential for national defense purposes and for maximization of domestic energy supplies, including the following:

1. 50 U.S.C. 4511 provides for U.S. Government priority rating of contracts and orders necessary to promote the national defense;
2. 50 U.S.C. 4568 authorizes the Secretary of Commerce to produce the Annual Report on Offsets;
3. 50 U.S.C. 4554 authorizes the President to prescribe such regulations and issue orders appropriate to carry out the Defense Priorities and Allocations System;
4. 50 U.S.C. 4555 authorizes the conduct of investigations and production of records and other documents;
5. The Department of Commerce also is authorized to conduct studies and assessments of the health and competitiveness of the U.S defense industrial base; and
6. Executive Order 13603, March 16, 2012, delegates to the Secretary of Commerce, in whole or part, authorities one through five, above, as functions of that cabinet post.
7. 50 U.S.C. 4565 provides for an interagency committee to determine the effects on national security of mergers, acquisitions, and takeovers that would result in foreign control of persons engaged in interstate commerce in the United States.
8. The Department of Commerce—via BIS and the International Trade Administration (ITA)—participates as a member of the Committee on Foreign Investment in the United States (CFIUS).

C. Other

15 U.S.C. 1501 et seq.

15 U.S.C. 1501 et seq. provides the basic authority for BIS performance of functions and activities that foster, promote, and develop foreign and domestic commerce.

2. Including costs associated with the performance of export administration field activities both domestically and abroad;

15 U.S.C. 1531
22 U.S.C. 3922

15 U.S.C. 1531 authorizes the Secretary of Commerce to establish a Buying Power Maintenance account for BIS. This fund is to be used to maintain overseas program activity at the appropriated program levels.

22 U.S.C. 3922 permits the Secretary of Commerce access through the U.S. Foreign Service personnel system to human resources capable of performing international trade functions, and having those resources transferred to Commerce.

- Authority for transfer rests in Reorganization Plan No. 3 of 1979 (5 U.S.C. 903 note);
- Plan No. 3 also provides for reallocation of other Commerce Department human resources, to the extent the President determines to be necessary for the Department to perform functions that require service abroad.

3. Full medical coverage for dependent members of immediate families of employees stationed overseas;

No Specific Authority

This language permits BIS to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

4. Employment of Americans and aliens by contract for services abroad;

No Specific Authority

See 44 Comp. Gen. 761 (1965); H.R. Rep. No. 188, 89th Cong., 1st Sess. 5-13 (June 1, 1965).

- Federal agencies must have specific legislative authority to procure personal services by contract.
- This appropriation language gives BIS the flexibility to procure, by contract, services of U.S. citizens or aliens as appropriate.

- In some cases, it is advantageous to employ aliens who are fluent in the native language of the host country; who are familiar with local practices and procedures; or who only need to be employed for a short period of time.
- In other cases, it is advantageous to employ U.S. citizens in the host country (generally members of an employee's family) who have greater familiarity with American methods and may require less effort to train.

5. Payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;

No Specific Authority

- 28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the U.S.
- The head of each Federal agency retains that authority for loss of property, personal injury, or death caused by a negligent or wrongful act or omission of any employee of the Government while acting within the scope of his employment.
- The provision applies in circumstances where the United States, if it were a private person, would be liable under local law.
- However, 28 U.S.C. 2680(k) exempts the settlement of tort claims that arise abroad from the provisions of 28 U.S.C. 2672.
- The language requested would exempt BIS from 28 U.S.C. 2680 and would authorize the settlement of tort claims against the United States that arise in connection with its activities abroad.

6. Not to exceed \$13,500 for official representation expense abroad;

No Specific Authority

- See, e.g., 43 Comp. Gen. 305 (1963).
- This ruling provides specific authority for BIS to expend up to \$13,500 for entertainment and similar expenses related to its official activities abroad.
- Appropriated funds may not be expended for entertainment except when specifically authorized by law, such as in this Comptroller's General determination.

7. Awards of compensation to informers under the Export Control Reform Act of 2018 (replacing the Export Administration Act of 1979), and authorized by 22 U.S.C. 401(b);

50 U.S.C. 4820 22 U.S.C. 401(b)

50 U.S.C. 4820 provides the authority to conduct investigations and obtain information in order to enforce the provisions of the Export Control Reform Act of 2018.

22 U.S.C. 401(b) provides for awards of compensation to informers providing information concerning illegal exports of war materials or other articles in violation of the law, when funds are specifically provided therefor.

8. Purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law;

No Specific Authority

31 U.S.C. 1343 prohibits the purchase of passenger motor vehicles unless specifically authorized by appropriation or other law with the exception of those vehicles purchased for the use of the President of the United States, the secretaries to the President, or specified heads of executive departments.

9. ... To remain available until expended,

No Specific Authority

31 U.S.C. 1301(c) provides that "[a]n appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation ... expressly provides it is available after the fiscal year covered by the law in which it appears." The statement, "to remain available until expended," constitutes such express language.

10. Authority for BIS to conduct activities under the Mutual Educational and Cultural Exchange Act of 1961 (MECEA).

22 U.S.C. 2455(f)

22 U.S.C. 2458(c)

That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities: That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments.

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property, and services from foreign governments, international organizations, private individuals, firms, associations, agencies, and other groups in carrying out activities pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and the necessary supplies therefor.

The above-quoted appropriations language makes clear that the Mutual Educational and Cultural Exchange Act of 1961 (MECEA) applies to the activities of BIS. The language also authorizes BIS to apply contributions received under MECEA toward the cost of activities conducted under MECEA.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Advisory and Assistance Services
(Dollar amounts in thousands)

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Estimate
Consulting Services	271	271	271
Management and Professional Services	0	0	0
Special Studies and Analyses	0	0	0
Management and Support Services for Research and Development	0	0	0
Total	271	271	271

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Periodicals, Pamphlets and Audiovisual Materials**

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Estimate
Periodicals	533	1,293	1,456
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	533	1,293	1,456

BIS issues Federal Register publications, which provides a means for BIS to announce to the public changes to government requirements, policies, and guidance related to Export Administration Regulations (EAR).

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Average Grade and Salaries**

	FY 2022 Actual	FY 2023 Enacted	FY 2024 Estimate
Average ES Grade	4	4	4
Average GS/GM Grade	13-08	12-06	13-04
Average GS/GM Salary	193	158	178

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Implementation Status of GAO and OIG Recommendations**

31 U.S.C. 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned on Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

Section 1. Recommendations for which action plans were finalized since the last appropriations request.

Include information on recommendations for which an action plan has been completed since the last budget report. If you have nothing to report, state nothing to Report.”

Report Number	GAO-22-105727
Report Title	Export Controls: Enforcement Agencies Should Better Leverage Information to Target Efforts Involving U.S. Universities
Issue Date	June 2022
Recommendation Number	1
Recommendation	The Secretary of Commerce should ensure that the Under Secretary for Industry and Security identifies relevant risk factors and analyzes this information to identify universities at greater risk for sensitive technology transfers, including unauthorized deemed exports.
Action(s) Planned	The Department of Commerce, Bureau of Industry and Security (BIS) has identified two tiers of U.S. academic institutions in addressing Recommendation # 1. The first tier is comprised of University Affiliated Research Centers (UARC), Federally Funded Research and Development Centers (FFRDCs), and U.S. academic institutions with ties to universities or academic institutions on the Entity List. Such ties make them a high priority for outreach. The second tier will be derived from a matrix developed from

	relevant risk factors such as federal funding, the number of specialty visas sponsored, and license application history. This matrix will identify additional U.S. academic institutions at risk for sensitive technology transfers.
Action(s) Status	In-progress
Target Completion Date	Recommendation # 1 is estimated to be completed by the end of Calendar Year 2023.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	In-progress

Report Number	GAO-22-105727
Report Title	Export Controls: Enforcement Agencies Should Better Leverage Information to Target Efforts Involving U.S. Universities
Issue Date	June 2022
Recommendation Number	2
Recommendation	The Secretary of Commerce should ensure that the Under Secretary for Industry and Security shares the results of any analyses aimed at identifying U.S. universities at greater risk for sensitive technology transfers, including unauthorized deemed exports, with EE field offices.
Action(s) Planned	BIS will share the names of the academic institutions, once identified, with the EE field offices. The field offices will then follow the lines of effort laid out in the “Academic Outreach Initiative” announced by BIS’s Assistant Secretary for Export Enforcement in July 2022. These lines of effort include assigning “Outreach Agents” for prioritized institutions, offering background briefings, and offering trainings.
Action(s) Status	In-progress
Target Completion Date	Recommendation # 2 is estimated to be completed by the end of Calendar Year 2023, with the outreach conducted throughout the following year.

Recommendation Status (e.g. Planned, In-Progress, or Complete)	In-progress
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Report Number	GAO-22-105727
Report Title	Export Controls: Enforcement Agencies Should Better Leverage Information to Target Efforts Involving U.S. Universities
Issue Date	June 2022
Recommendation Number	3
Recommendation	The Secretary of Commerce should ensure that the Under Secretary for Industry and Security implements a mechanism to periodically assess the relevance and sufficiency of risk factors used for prioritizing universities for outreach to address new or evolving threats to U.S. university research, including threats pertaining to sensitive technology transfers and unauthorized deemed exports.
Action(s) Planned	BIS plans to revisit the risk factors used to identify academic institutions as outreach priorities on a yearly basis, to determine whether any new academic institutions should be the subject of outreach. Information regarding academic institutions identified in this yearly effort will be shared with the EE field offices.
Action(s) Status	In-progress
Target Completion Date	Recommendation # 3 will be completed on an ongoing basis, to be initiated one year after Recommendations # 1 and # 2 are completed.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	In-progress

Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as ‘Open’ or ‘Closed-Unimplemented.’

(a) Open Recommendation(s) the Department has decided not to implement.

The Bureau of Industry and Security (BIS) has nothing to report.

(b) Open Recommendation(s) the Department plans to implement.

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	1
Recommendation	The Secretary of Commerce should direct BIS to identify, analyze, and respond to factors in the process that may cause submission errors.
Target Implementation Date	The Department published a regulatory amendment to decrease common submission errors within the Exclusions Portal on December 14, 2020 (85 FR 81060). On February 10, 2022 the Department published a Request for Public Comment (87 FR 7777) to seek comments on further changes to reduce common submission errors and refine the information requested in the form. Additionally technical modifications were made to the 232 Exclusions Portal to prevent form submission when certain errors were present. The Department is intending to publish a Proposed Rule in Q3 of FY2023 that will include rulemaking language that will speak to the above needs.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	2
Recommendation	The Secretary of Commerce should direct BIS to identify, assess, and make program changes to address issues that have impeded timeliness and created the backlog of exclusion requests.
Target Implementation Date	The Department published a regulatory amendment on December 14, 2020, to improve the Exclusions Request submissions process (85 FR 86010). On February 10, 2022 the Department published a Request for Public Comment (87 FR 7777) to seek comments on further changes to reduce common submission errors and refine the information requested in the form. Additionally

	technical modifications were made to the 232 Exclusions Portal to prevent form submission when certain errors were present. The Department is intending to publish a Proposed Rule in Q3 of FY2023 that will include rulemaking language that will speak to the above needs.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	3
Recommendation	The Secretary of Commerce should assign responsibility for regularly reviewing the impact of the tariffs on steel and aluminum imports, including tariff exclusions, and document the results.
Target Implementation Date	In-progress; BIS is working to complete Tariff Impact analysis; Estimated June 30, 2023.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	No

Report Number	GAO-22-104564
Report Title	Steel and Aluminum Tariffs: Commerce Should Update Public Guidance to Reflect Changes in the Exclusion Process
Issue Date	December 2021
Recommendation Number	1
Recommendation	The Secretary of Commerce should ensure that the Acting Under Secretary of Commerce for Industry and Security creates a policy to regularly review and update the public Section 232 Exclusion Process guidance.
Target Implementation Date	The Department will conduct its review of all existing public guidance by December 31, 2022 with the goal of publishing updated guidance in either the <i>Federal Register</i> or the Commerce Section 232

	Website and BIS Section 232 Website, as deemed appropriate, in Q3 of FY2023. Commerce will then begin its first six-month review of published guidance on or around June 1, 2023.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-22-104564
Report Title	Steel and Aluminum Tariffs: Commerce Should Update Public Guidance to Reflect Changes in the Exclusion Process
Issue Date	December 2021
Recommendation Number	2
Recommendation	The Secretary of Commerce should ensure that the Acting Under Secretary of Commerce for Industry and Security creates a policy to regularly assess and update its public guidance to ensure that it is consistent and accurately reflects the time the agency takes to decide Exclusion Requests.
Target Implementation Date	The Department will conduct its review of all existing public guidance by December 31, 2022 with the goal of publishing updated guidance in either the <i>Federal Register</i> or the Commerce Section 232 Website and BIS Section 232 Website, as deemed appropriate, in Q3 of FY2023. Commerce will then begin its first six-month review of published guidance on or around June 1, 2023.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

(c) Recommendations designated by GAO as “Closed-Unimplemented” for the past 5 years (2015-2019). Future reports will cover a one-year period.

The Bureau of Industry and Security (BIS) has nothing to report.

Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been Taken or Action Not Recommended has been taken

Include information on all OIG recommendations that are still officially open. Commerce OIG recommendations are open until closed by the Department OIG Liaison.

Report Number	OIG-21-020-A
Report Title	Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information
Issue Date	January 25, 2021
Recommendation Number	1.a
Recommendation	Require an Objector that indicates it has Confidential Business Information (CBI) to provide a public summary of the CBI in its Objection Form.
Target Completion Date	Q3 of FY2023.
Reason No Final Action Taken or Action Not Recommended Taken	The Department plans to publish a Proposed Rule on the 232 Exclusions Process requiring the inclusion of public summaries of certain Confidential Business Information (CBI) submitted with Exclusion Requests and Objection Filings in Q3 of FY2023.
Closure Request Pending (Yes/No)	No

Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports

The Bureau of Industry and Security (BIS) has nothing to report.

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Description of Tribal Consultations**

In compliance with the Executive Order 13175 (Nov. 6, 2000), BIS has reviewed its activities to determine whether any of its programs have had a direct substantial effect on any Indian Tribal Nation, which would necessitate consultation with Tribal officials. BIS has determined that none of its current programs have had any such qualifying effects.

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Annual Performance Plan/Report Backup**

Overview of Bureau Accomplishments

Export Controls and Sanctions on Russia in Support of Ukraine

Beginning on February 24, 2022, in response to the Russian Federation’s (Russia’s) further invasion of Ukraine, the Bureau of Industry and Security (BIS) added substantial new Russia license requirements and licensing policies to the Export Administration Regulations (EAR) in response to Russia’s unprovoked aggression in Ukraine to reflect U.S. national security and foreign policy interests. Since Russia’s invasion of Ukraine, BIS has published fifteen rules implementing stringent new export control requirements to restrict Russia’s access to items that it needs to project its power and fulfill its military ambitions. These new Russia measures, which were subsequently implemented for Belarus, imposed a number of new license requirements, including for exports of specified luxury goods to or within Russia/Belarus and to Russian/Belarusian oligarchs and malign actors regardless of location, and for foreign-produced items “destined to Russia/Belarus and Russian/Belarusian ‘military end users.’” Additionally, BIS is expanding existing controls by significantly expanding the scope of items subject to a license requirement, instituting a license review policy of denial for most exports to Russia/Belarus, and limiting the authorizations of license exceptions. BIS also significantly increased the number of Russian and Belarusian entities on the Entity List (supplement no. 4 to part 744 of the EAR) by adding over 300 new entities. The Entity List identifies entities for which there is reasonable cause to believe that they have been, will be, or pose a significant risk of involvement in activities contrary to the national security or foreign policy interests of the United States. Lastly, BIS imposed comprehensive export, reexport and transfer (in-country) restrictions on exports to the Donetsk People’s Republic (DNR), the Luhansk People’s Republics (LNR), and the Crimea regions of Ukraine.

BIS spent substantial time building support and cooperation with a range of international partners and allies to demonstrate our joint resolve, and to maximize the impact of our restrictions. Our coalition includes 38 of the most powerful economies in the world, and BIS continues to meet with other countries to urge their alignment with these stringent controls.

Following these initial measures, BIS enacted a number of additional licensing requirements and prohibitions to support Ukraine by constraining the flow of U.S.-origin goods to Russia and Belarus. BIS accomplished this by expanding the scope of the Russian industry sector sanctions to include lower-level items potentially useful for Russia’s chemical and biological weapons production capabilities and items needed for advanced production and manufacturing capabilities across a number of industries. To continue to degrade the two countries’ ability to conduct war-related activities, BIS expanded the increased licensing requirements for items destined to entities designated as Russian and Belarusian ‘military end users’ and ‘military-intelligence end users’ anywhere in the world. These license requirements now also include foreign-made items that are produced using U.S.-origin software and

technology. The application of these new license requirements to six Russian ‘military end users’ is intended to degrade Russia’s war efforts in Ukraine, as these entities produced items needed by the Russian and Belarussian military and industrial sectors. BIS continues to update and revise its licensing requirements and prohibitions to better align them with those of our allies and the European Union.

In addition to imposing these substantial export control measures on Russian and Belarus, BIS, along with its interagency partners that review BIS license applications, has had an important role in helping to expedite the review of license applications for exports and reexports of key items needed by the Ukrainians to defend themselves at this time. In FY22, BIS approved 504 licenses to Ukraine for a total dollar value of \$3.1 billion. Of the 504 approved licenses, 87.1% (439) licenses were approved after the Russian invasion of Ukraine. BIS has also consulted with the Ukrainian government when needed to confirm that the items that are being approved in these licenses are going to the intended recipients in Ukraine.

Finally, U.S. exports to Russia in categories of items subject to these licensing requirements have decreased 95% in number of shipments and 97.5% by value as compared to the same time-period in 2021. Overall US exports to Russia have decreased 87.8% in value over the same time-period in 2021. Additionally, since our controls have fully taken effect, there has been a 68% percent reduction by value of global exports of semiconductors to Russia compared to the same period last year.

Since the enhanced Russia controls became effective on February 24, 2022, Export Enforcement has conducted 641 outreaches to individuals or companies, detained or seized 239 shipments valued at \$93.7 million, and opened 137 investigative cases. Export Enforcement further leveraged its unique administrative authorities to target Russia’s commercial aviation sector and the private aircraft of Russia’s oligarchs by issuing 12 Temporary Denial Orders (TDO), for aircraft related to Russian aircrafts. Additionally, BIS has issued administrative Charging Letters against oligarch Roman Abramovich and PJSC Lukoil, a Russian multinational oil and gas corporation, as well as worked with the Department of Justice on the execution of seizure warrants for four aircraft owned by Abramovich, Russian oligarch Andrei Skoch, and Lukoil worth more than \$500 million. Additionally, BIS conducted approximately 775 end-use checks related to potential diversion of U.S.-origin items subject to export controls to Belarus and Russia. BIS has worked with the U.S. Department of Treasury, Financial Crimes Enforcement Network (FinCEN) to publish a Joint Alert to educate financial institutions on U.S. export controls and how to recognize and report possible evasion Russian and Belarussian evasion attempts. This Joint Alert also created a Suspicious Activity Report (SAR) code to identify suspected evasion attempts for review by BIS.

SO 1.4 - Protect national security interests and enforce trade laws. Commerce, through BIS, imposed the most expansive export controls ever levied against another country. The goal in designing these export controls was, and continues to be, to degrade Russia’s military capabilities by denying it critical supplies and to technologically isolate Russia. Throughout this process, we have worked closely with other countries. This level of cooperation significantly enhances the effectiveness of our controls as the United States alone accounted for less than 6% of Russia’s imports prior to Russia’s invasion of Ukraine. This accomplishment supports the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Section 232 Investigations and Product Exclusion Process

As of December 4, 2022, BIS has received approximately 441,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. In FY 2022, BIS processed approximately 70,500 Exclusion Requests submitted by domestic importers of steel and aluminum products impacted by duties under Section 232. The Department reviewed all Exclusion Requests and associated Objections, Rebuttals, and Surrebuttals on a case-by-case basis, considering only information that was submitted on the public record by the parties to the 232 Exclusions Portal. In FY 2022, Exclusion Requests with no Objections received a final decision within roughly fifty calendar days on average, while Exclusion Requests with Objections received a final decision within roughly ninety-two calendar days on average. In October 2021, negotiations on Section 232 trade remedies successfully concluded with the European Union. The United States transitioned to a tariff-rate quota on imports of steel and aluminum products from the European Union on January 1, 2022. The European Union in turn removed its retaliatory tariffs imposed on key exports from the United States that were set to double on December 1, 2021.

In February 2022, the United States also successfully concluded negotiations on Section 232 trade remedies with Japan. (The United States will transition to a tariff-rate quota on imports of steel products from Japan starting April 1, 2022.) In March 2022, the United States successfully concluded negotiations on Section 232 trade remedies with the United Kingdom. (The United States will transition to a tariff-rate quota on imports of steel and aluminum products from the United Kingdom starting June 1, 2022.) Finally in May 2022, in response to the Russian Federation's (Russia's) further invasion of Ukraine, the Department of Commerce announced a one-year suspension of Section 232 duties on steel products entering from Ukraine. (This suspension went into effect on June 1, 2022.)

SO 1.4 - Protect national security interests and enforce trade laws. These agreements preserve the national security objectives of Section 232 and open the door to further work on cooperative frameworks with our allies and partners to counteract the mutual challenges posed by global overproduction of steel and aluminum. This accomplishment supports the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Additional Accomplishments – BIS Entity List

FY 2022 has been another active year for BIS's utilization of the Entity List. The Entity List identifies foreign parties that are prohibited from receiving some or all items subject to the EAR unless the exporter, re-exporter, or transferor first receives a license from BIS. The U.S. Government has determined that persons and entities on the Entity List present a significant risk of diverting U.S. items to weapons of mass destruction (WMD) programs, state sponsors of terrorism, or other activities contrary to U.S. national security or foreign policy interests. In FY 2022, BIS added more than 450 entities to the Entity List. Almost 350 of these entities were added in relation to Russia's invasion of Ukraine, with nearly 300 of these located in Russia. BIS also added more than 70 entities located in China to the Entity List in FY 2022.

SO 1.4 - Protect national security interests and enforce trade laws. BIS's Entity List is an important policy tool to protect U.S. national security and foreign policy interests. This accomplishment supports the Department Goal "Drive U.S. Innovation and Global Competitiveness."

Additional Accomplishments – Enforcement Activities

During FY 2022, using the codified authorities under the Export Control Reform Act (ECRA), BIS investigations worked with the Department of Justice resulted in 58 individuals and businesses convicted of criminal violations, \$488,600 in criminal fines, \$1,568,319 in forfeitures, \$8,301,259 in restitution, and 1,509 months of imprisonment. This is the highest ever number of convictions, restitution amount, and months in prison since tracking began. BIS's unique administrative enforcement authorities resulted in 51 conviction-based export denial orders (formerly known as 11(h) actions), 4 Final Orders issued resulting from administrative Charging Letters, and \$1,949,372 in administrative penalties. BIS prioritizes preventing export violations as well, and issued 517 warning letters, completed 658 detentions, 93 seizures, 65 arrests, 12 new Temporary Denial Orders (TDO) and 2 TDO renewals. This is the highest ever number of TDOs and denial orders issued since tracking began. Many of these accomplishments were aided by ECRA provisions for BIS undercover operations to bring lawbreakers to justice. BIS also added 33 parties to the Unverified List in FY 2022.

During FY 2022, BIS issued 10 Temporary Denial Orders (TDO), with five of the TDO being renewed, for aircraft related to Russian aircrafts. BIS issued charging letters against Russian oligarch Roman Abramovich and PJSC Lukoil, a Russian multinational oil and gas corporation, as well as worked with the Department of Justice on the execution of seizure warrants for four airplanes owned by Abramovich, Russian oligarch Andrei Skoch, and Lukoil worth more than \$500 million.

BIS investigations had a direct impact on many of the Department's top priorities. When you look the above FY2022 statistics by country you see that for investigations involving. For Russia centric investigations OEE had eight criminal convictions, 10 plea agreements, 30 criminal indictments and criminal investigations, 10 TDO, 20 seizures and 65 issued court orders. For investigations that primarily involved China OEE had nine criminal convictions, two subjects found guilty at trial, four plea agreements, 13 criminal indictments or criminal investigations, one criminal complaint, four arrests, two TDO, eight seizures and 56 issued court orders. And when the focus of the investigation was Iran OEE had 10 criminal convictions, two found guilty at trial, 10 criminal indictments or criminal investigations, three criminal complaints, four arrests, one TDO, five seizures and 112 issued court orders.

Additionally, BIS opened approximately 209 investigations with a military end-user focus.

SO 1.4 - Protect national security interests and enforce trade laws. BIS's enforcement activities are critical to protect U.S. national security and foreign policy interests. These accomplishments support the Department Goal "Drive U.S. Innovation and Global Competitiveness."

Planned Actions through FY 2024

The Administration, alongside allies and partners, continues to support and advance national security by denying to Russia downstream products that are critical to its ambitions to develop high-tech capabilities in aerospace and defense, lasers and sensors, maritime, AI, robotics, quantum, to name a few. BIS will more effectively meet the challenges of increasing global strategic ambition and technological competition. Such work requires a strong depth of understanding of all aspects of U.S. and foreign efforts to use technology for national security advantage. BIS plans to more fully address evolving and increasingly sophisticated tactics employed by U.S. adversaries to deter their ambitions to acquire U.S. technology. BIS will expand its workforce to allow its analysts and special agents to be proactive rather than reactive. The added personnel will facilitate the ability to foresee the likely evolution of technology and prevent emerging and foundational technologies from release without USG review. BIS will continue to review, identify, and analyze, including conduct research on, technologies that are essential for the continued leadership of the United States in the development of leading-edge technologies while ensuring that the export of these technologies is consistent with U.S. national security and foreign policy objectives. Outreach to industry, including educational outreach, is necessary for the success of this plan. BIS's portfolio also includes working with allies to ensure a level playing field for U.S. exporters. Greater U.S. interaction with foreign governments increases trust, cooperation, and develops common messaging that leads to coordinated policy and a better environment for U.S. business. BIS anticipates this proactive model will allow analysts to provide more and higher-quality leads to BIS's elite cadre of special agents located in 30 cities across the U.S. Special agents, armed with better information, and will continue and expand its close collaboration with the interagency to detect and disrupt illicit procurement networks used by adversaries through aggressive use of criminal investigative and administrative enforcement authorities. These activities support SO 1.4, "Protect national security interests and enforce trade laws."

BIS will also fill one-year overseas attaché positions and one-year domestic analyst positions to support a surge in end-use checks related to potential diversion of U.S.-origin items subject to export controls to Belarus and Russia and continue to fill domestic special agent, analyst, and engineer positions utilizing the Ukraine Supplemental funding to support investigations and policy work, including international engagement, related to the enhances Russia and Belarus controls. BIS will implement actions to strengthen administrative enforcement program, including the imposition of significantly higher penalties for serious violations, using non-monetary resolutions for less serious violations, eliminating "no admit, no deny" settlements, and facilitating efficient processing of voluntary self-disclosures, including focusing on finite resources on the most significant violations. BIS plans to implement enforcement outcomes that better align with the seriousness of violations and discourage companies from cooperating with any unsanctioned boycott.

BIS will also continue to further develop the BIS Academic Outreach initiative, including strategically prioritizing engagement, providing counseling, leveraging assigned special agents to establish long-term partnerships, conducting background briefings, offering training on export control compliance, and reviewing university export compliance procedures. BIS will also support the Department's initiative to support underserved communities by focusing on academic institutions serving underserved populations as part of its academic outreach initiative. BIS will continue to implement the Climate crisis initiative by providing outreach on compliance with the EAR to companies producing and/or exporting climate-related products.

Analysis of Performance Indicators

Explanation of Trends

Overall, BIS continues to meet or exceed performance targets for most indicators. FY 2023 and FY 2024 targets are set based on the ability to meet the foreseeable shifts in export administration, such as new opportunities within Export Control Reform Act (ECRA), and new challenges due to changing foreign policy and national security objectives. BIS anticipates incremental increases in most of its targets related to national security activities and funding levels appropriate for success in meeting such increases.

Travel restrictions implemented due to the COVID-19 pandemic continued to impede the scheduling and completion of end-use checks in regular areas and programs of operation. BIS adjusted its target for end-use checks throughout FY 2022 and FY 2023 to reflect continued uncertainty regarding the duration of these pandemic-related travel restrictions. The target for end-use checks for FY 2022 was exceeded because of emergency supplemental funding granted by Congress, which enabled the deployment of several short-term overseas attachés. These additional resources expanded BIS's capability to conduct end-use checks and negated the impact of the pandemic on the end-use check program. With pandemic restrictions being reduced, BIS has noticed an increase in criminal prosecutions. In fact, enforcement actions showed an increase in investigations opened. There were noted increases in detentions, temporary denial orders, and outreach to industry and the exporting community, in large part to the new Russia export controls.

Explanation of Targets for FY 2023 and FY 2024

Export controls are necessary to advance U.S. national security, foreign policy, and economic objectives and to promote U.S. strategic technology leadership. Export controls mitigate the risk that foreign actors will use U.S. products in ways contrary to U.S. interests. Overall, BIS's targets are consistent with the requests for additional funding. Funding levels will impact BIS's ability to continue to improve its ability to meet foreseeable shifts in the implementation of export controls.

Progression of the Performance Indicators

BIS uses systems, work logs, and management reviews to track, verify, and assess performance across the Bureau. BIS is committed to ensuring accuracy and reliability of the data used to measure progress toward achieving Department of Commerce Strategic Goals and Objectives. BIS performs two audits per year, and extra diligence is applied to support year-end congressional reports.

Performance Data Validation and Verification

BIS relies heavily on data to make informed licensing decisions and policy.

- BIS Indicator: Percent of licenses requiring interagency referral referred within nine days

- BIS Indicator: Number of actions that result in a deterrence or prevention of a violation and cases that result in a criminal and/or administrative charge/action
- BIS Indicator: Number of end-use checks (EUC) completed
- BIS Indicator: Percent of licenses requiring Information Triage Unit report completed by Export Enforcement within ten Executive Order days of referral

Performance Indicators

Class	Performance Indicator	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2022 Status	FY 2023 Target	FY 2024 Target
Current / Recurring	Number of industrial base surveys, data, and analysis distributed to federal agencies and critical sector	3	3	7	6	4	3	Exceeded	3	3
Current / Recurring	Number of actions that result in a deterrence or prevention of a violation and cases that result in a criminal and/or administrative charge/action	1,777	1,802	1,667	2,018	1,864	1,600	Exceeded	1,600	1,600
Current / Recurring	Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	164,385	157,287	150,083	155,841	140,494	150,000	Met	150,000	150,000
Current / Recurring	Percent of licenses requiring interagency referral referred within nine days	93%	91%	92%	92%	89%	98%	Met	98%	98%
Current / Recurring	Percent of attendees rating seminars highly	89%	96%	93%	94%	94%	93%	Exceeded	93%	93%
Current / Recurring	Median processing time for new regime regulations (months)	1	2	6	4	2	2	Met	2	2

Class	Performance Indicator	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2022 Target	FY 2022 Status	FY 2023 Target	FY 2024 Target
Current / Recurring	Percent of declarations received from U.S. industry in accordance with CWC timelines that are processed in time for the U.S. to meet treaty obligations.	100%	100%	95%	100%	100%	100%	Met	100%	100%
Current / Recurring	Percent of electronic export information transactions reported in the Automated Export System in compliance with the Export Administration Regulations	99%	99%	99%	99%	99%	99%	Met	99%	99%
Current / Recurring	Number of exporters educated and trained through outreach activities related to 500 and 600 Series Controls	27,997	24,000	60,511	64,528	28,270	25,000	Exceeded	25,000	25,000
Current / Recurring	Percent of licenses requiring Information Triage Unit report completed by Export Enforcement within ten Executive Order days of referral	88%	94%	93%	94%	94%	90%	Exceeded	90%	90%
Current / Recurring	Number of end-use checks completed	1,042	1,171	987	1,030	1,151	830	Exceeded	830	1,030
Proposed New	Number of external stakeholders engaged with the aim of increasing diversity among U.S. exporters				N/A	N/A	N/A	N/A	20	20